Youth-Inclusive Financial Services Linkage Program - www.yfslink.org

Implementing Sound Practices in Youth-Inclusive Financial Services

Facilitator's Guide

YFS link Youth-Inclusive Financial Services Linkage Program

An Initiative of Making Cents International®

About This Curriculum

This curriculum was developed with funding from The MasterCard Foundation. It has been developed as part of a series of Youth-Inclusive Financial Services courses. The topics introduced in this module are expanded upon in other two or three day more in-depth courses and provide participants with tools and skills to undertake market research, design youth-inclusive financial products, and learn to form and leverage partnerships.

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Introduction to Training Manual

Background

You are holding the Training Manual for the Implementing Sound Practices in Youth-Inclusive Financial Services. Participants of this course will also learn about key steps and considerations in delivering or supporting youth-inclusive financial services including market research, adaptation or development of services, partnerships, delivery channels and simple evaluation systems. This curriculum has been developed as part of a series of Youth-Inclusive Financial Services courses. The topics introduced in this module are expanded upon in other two or three day courses that provide participants with tools and skills to undertake market research, design youth-inclusive financial products, and learn to form and leverage partnerships.

Module Goal

The Implementing Sound Practices in Youth-Inclusive Financial Services was developed to improve the quality and reach of effective youth-inclusive financial services (through integrating sound practices in market research, product design and delivery, partnership development and monitoring and evaluation into an organization's current programming efforts.)

To support organizations in attaining this goal, participants will achieve the following objectives by the end of this course:

- Clarified main objectives of youth-inclusive financial services and how they can play a role in lives of young people.
- Analyzed the relevance of emerging guidelines and trends in youth-inclusive financial services on current programs.
- Compared existing practices of conducting market research with recommended practices.
- Compared examples of product design and delivery methodologies for youth financial products and services.
- Identified how non-financial services can contribute to the achievement of the main objectives of youth-inclusive financial services.
- Recognized the value of partnerships between youth serving organizations and financial service providers and how to prepare for an exploratory conversation with a potential partner.
- Identified strategies for reducing the vulnerability of youth accessing financial services.
- Identified which monitoring and evaluation tools and approaches could be adapted for measuring the results of youth-inclusive financial services.
- Developed individual action plans to integrate the new concepts, tools and approaches into their organizations.

Through hands-on activities and case study discussions, this course provides microfinance practitioners, youth enterprise and livelihoods practitioners, and a range of other stakeholders

with an introduction to what is necessary to design and implement interventions to expand youth-inclusive financial services.

Audience Description

To cover the extensive information in this course, the ideal number of participants ranges from 12-15 participants and time should be considered in the selection of certain activities in the course. The module is primarily intended for senior or mid-level managers of youth-serving organizations and financial service providers. However, as a foundation course, it is also extremely valuable for technical assistance providers, funders, consultants, and others supporting or working in youth-inclusive financial services. Their customers and clients are youth that are interested in or already accessing youth-inclusive financial services.

Prerequisites

There are no course prerequisites for this training.

Length of Training

The curriculum includes approximately 16 – 20 hours of classroom training materials. This course is ideally delivered in 2 to 2.5 days but if more time is available, optional activities could be explored.

Training Environment

This is a classroom-based, instructor-led training session. Participants are guided by a trainer through a series of timed activities. Equipment consists primarily of tables and chairs for the participants (to be able to work in small groups or teams). Trainer access to a flip chart or board is desirable. The course includes references to PowerPoint presentations which require access to a computer and projector. Alternatively, trainers may be able to use flip charts as substitutes if access to computers and projectors is limited.

Instructional Techniques/Methodologies

The curriculum incorporates experiential-based, adult-learning methodologies. The various instructional techniques or methodologies that are used throughout the course include:

- **Guided discussions on specific topics**. To help raise awareness about practices in youth-inclusive financial services, the trainer leads participants through discussions by asking them to share their own insights and experiences.
- **Small group activities/discussions**. As a variation on the large group discussions noted above, participants divide up into small groups to conduct discussions around cases or scenarios related to a key learning point.
- **Practical exercises**. Beyond raising awareness, the training offers participants the opportunity to boost their skills and learn about market research, product design, and partnerships through stories and practical problems to be resolved in class.

- **Action plans**. At the end of the training, participants finalize individual action plans for determining next steps after the training.

Course Materials

The following items will help convey the content of the course:

- **Training Manual**. This includes guides and instructions for setting up and managing the training course, as well as trainer session notes, answer keys, and other background information for delivering the course.
- **Participant USB and Handouts**. This includes resources to supplement in-class training.
- **Flip Charts**. Some flip charts need to be prepared before sessions begin. They are indicated in the manual. Other sessions call for participant answers to be captured on flip charts.

Course Trainer Requirements

The curriculum design is ideally meant for a certified trainer that has successfully completed the Youth-Inclusive Financial Services Linkage Program Certification process. Trainers would also have training expertise, familiarity with financial services and youth. The Training Manual provides instructions, specific questions, sample answers, and illustrations (where appropriate) to enable the trainer to set up and deliver the curriculum to the target audience.

Tips to the Trainer

- Consider options for delivery of the course where electricity may be problematic.
- Learn about any interpretation or translation that may need to take place before or during the delivery of the course. A typical course delivery day will run for 8 hours including breaks and lunch. The trainer should be clear on the arrangements in order to organize the content delivery.
- If interpretation is needed, the course may run longer than two days and adjustments should be made as necessary. It is suggested that the trainer plan for 2.5 days in that case.

Instructions

The following stylized elements indicate specific instructions to the trainer:

☞ **=** Recommended flip chart

💻 **=** Use of PowerPoint presentation

📼 **=** Use of video

"Italics and quotation marks for suggested language"

- ***Bold, italicized, bulleted represent specific questions to ask participants***

<u>Tip to the Trainer</u> is presented in a box– these might be used for likely trouble areas

Optional activities are presented in a box as such:
3. Title of Activity (Optional):

Session 1: Welcome and Introduction to the Need, Risks and Benefits of Youth-Inclusive Financial Services Youth Financial Services

In this first session participants learn each other's names and listen to an overview of the objectives of the course. They also review the essential components, presented as a roadmap needed to improve the quality and expand the reach of youth-inclusive financial services. Participants will consider the changing youth demographics and the emerging trends in youth financial services and the opportunities and challenges this presents for their organizations

Session Objectives:
By the end of this session, participants will have:

1. Stated their names and desired group operating norms.
2. Realigned their expectations of the course to be congruent with the stated objectives of the course.
3. Listened to a course overview.
4. Defined Youth-Inclusive Financial Services (YFS).
5. Identified the benefits, risks and challenges to YFS to key stakeholders.
6. Listened to an overview of the results of the Global Youth-Inclusive Financial Services survey.

Total Session Time: 135 minutes

Overview of Activities

Activity Title	Duration	Materials Needed
1) Welcome, Introductions, Course Overview and Expectations	55 minutes	Introduction Slides Flip Charts Markers Handout: *Mini roadmap* Handout: *Course agenda*
2) Why Youth-Inclusive Financial Services, Why Now?	80 minutes	PowerPoint Presentation: Why Youth Now and the State of the Sector Computer Projector Flip Charts

		Markers Handout: *Key Considerations in Linking Youth to YFS* Handout: *Reasons for Engaging in YFS*
3) Challenges and Opportunities: You Decide! (Optional)	20 minutes	Cut-outs of Note cards

Activity 1: Welcome, Introductions, Course Overview and Expectations

During this activity the trainer participants introduce themselves and establish workshop norms and expectations that are conducive to sharing, demonstrating respect and being open the ideas of others.

Objectives:
By the end of this activity, participants will have:
1. Stated their names and desired group operating norms.
2. Realigned their expectations of the course to be congruent with the stated objectives of the course.
3. Listened to a course overview.

Preparation/Materials:
- Masking tape, soft ball, flip charts, sticky notes or note cards
- Handout: *Mini roadmap*
- Handout: *Course agenda*
- Distribute tent cards with names
- Place roadmap poster or flipchart on the wall (w/a paper car)
- Place roadmap handouts on participants desks before beginning (optional)

Time: 55 minutes

Steps:

a) **Course Introduction and Sponsor Acknowledgement (5 min)**
Thank participants for committing to two days to attend the Implementing Sound Practices in Youth-Inclusive Financial Services course and provide a brief introduction:

"This course is designed to provide you with an overview of the relevant topics in youth-inclusive financial services, specifically the importance of YFS and the emerging sound practices. It is built from the experiences of pioneering organizations both in financial service provision and youth service. It therefore draws directly on practical case studies and recently developed frameworks in youth livelihoods."

Acknowledge host organizations or individuals:

"We greatly appreciate the support of our host organization for welcoming us and supporting the delivery of this course."

b) **Participant Introductions and Expectations (25 min)**
Share with participants:

"We are about to begin a road trip together. Let's start by getting to know our travelling companions."

Divide participants into pairs and post the flipchart of questions (☞ place questions on flip charts ahead of time):

- ***What is your name and what is the name of your organization?***
- ***What is your experience in financial services and/or youth?***
- ***What was the first service you used and how did you learn about it? How old were you?***
- ***What were any challenges that you faced? How did access to financial services help you as a youth?***
- ***What is one expectation you may have from the course?***

Ask participants to spend ten minutes each asking and answering the questions and to be prepared to introduce their partner to the large group in ten minutes.

When ten minutes have passed, re-position the pairs into a semi-circle and have each pair introduce their partner to the group. Pass around a ball as a way of signaling who is being invited to share.
☞ Keep note of the expectations on a blank flip chart paper titled "Course Expectations"

Conclude the activity acknowledging the range of experience and expertise in the course:

"A range of organizations including microfinance institutions, youth serving organization and other (international NGOs, regulatory agencies, etc.) are represented here and everyone shares an interest in increasing youth access to financial services. Drawing upon our diversity of experiences throughout the course will help this course be more relevant to you."

c) Course Objectives and Participants' Expectations (20 min)

Ask participants to silently reflect on their expectations for this course.

After a few minutes have passed present the objectives of the course below (☞ place objectives on flip charts ahead of time):

By the end of the course, you will have:

1. Clarified main objectives of youth-inclusive financial services and how they can play a role in lives of young people.
2. Analyzed the relevance of emerging guidelines and trends in youth-inclusive financial services on current programs.
3. Compared existing practices of conducting market research with recommended practices.

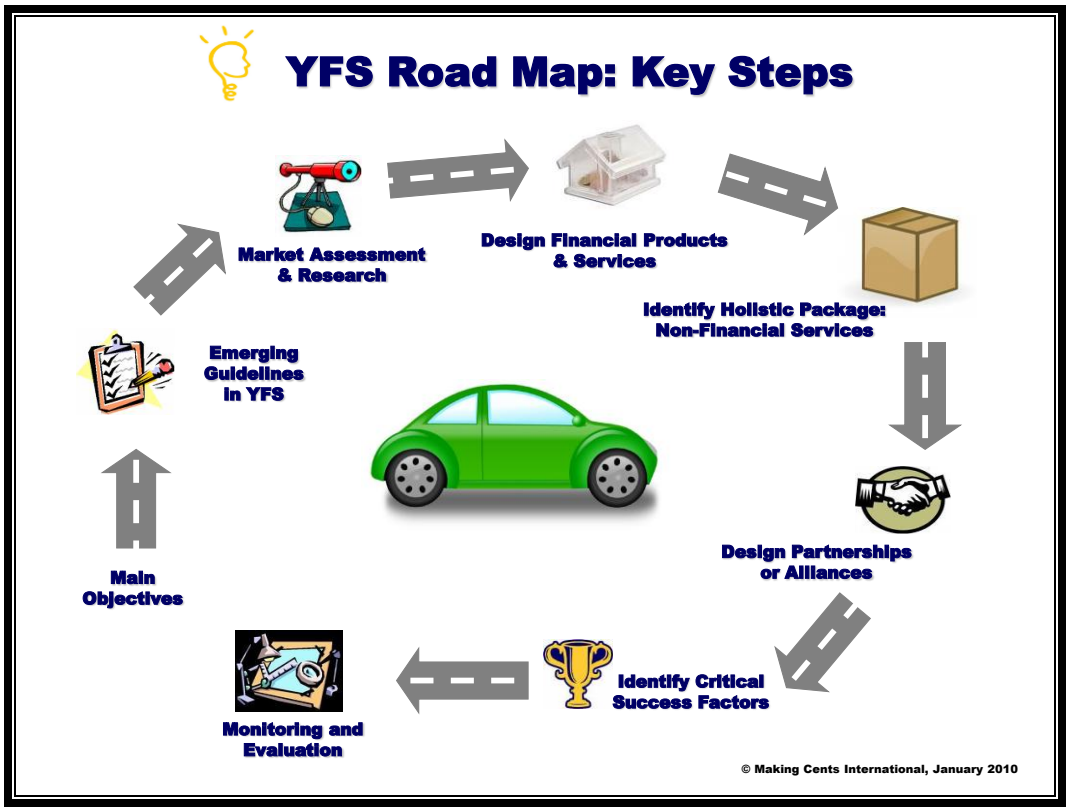
4. Compared examples of product design and delivery methodologies for youth financial products and services.
5. Identified how non-financial services can contribute to the achievement of the main objectives of youth-inclusive financial services.
6. Recognized the value of partnerships between youth serving organizations and financial service providers and how to prepare for an exploratory conversation with a potential partner.
7. Identified strategies for reducing the vulnerability of youth accessing financial services.
8. Identified which monitoring and evaluation tools and approaches could be adapted for measuring the results of youth-inclusive financial services.
9. Developed individual action plans to integrate the new concepts, tools and approaches into their organizations.

Invite participants to compare their expectations with the objectives and course and identify where their expectations align with the objectives. Reassure participants that those not addressed through the course will either be topics for discussion in other courses or that the trainer can help identify additional resources.

Point to the YFS Road Map Poster on the wall (☞ or prepare ahead of time on a flip chart if poster is not available) and share with participants that as they journey through the roadmap of this course there are a number of stops:

<u>Tip to the Trainer:</u> Bolded areas of paragraph below are various stops along the road map.

*"Some of the stops will appear familiar while others will be new or not as familiar. We will approach these stops in a specific order. First, we take a look at the **main objectives** of youth-inclusive financial services and then move to gaining a better understanding of the **emerging guidelines** in the sector. These guidelines provide the context for one of the most critical steps in this journey, **market research**, as it helps us define the gaps in financial services for particular market segments that we as institutions can help fill. Once we have understood the importance of market research and various ways to apply findings, we will move into **product design**. At this stage, we will examine examples of products and the critical elements to consider while designing a product. These cases will also help us begin thinking about the additional **non-financial services** that can be provided to prepare youth to take advantage of financial services. We will then look at the importance of **partnerships** in delivering both financial and non-financial services. Towards the end of our road trip, we will look at the **critical factors** to consider when serving youth so as not to do harm to an already vulnerable segment. Finally, we will brainstorm simple ways that institutions can adapt their current approaches to evaluation to **measure their success** in working with youth to provide financial services."*



Leave the YFS Roadmap on the wall for the duration of the course and refer to it when transitioning from session to session. Create a paper car that can be taped to each point along the map. Move the paper car around the map after each session to indicate that you are moving to a new stop along the journey.

Ask participants to read their agenda in the course packet. Address any questions they may have.

d) Group Norms (5 min)

Ask participants to suggest some norms (examples listed below) for the group to follow that will make this road trip enjoyable for all.

☞ Write down the norms that the group members share on the flip chart.

Norms and Training Rules
No cell phones
No web surfing
Active participation, etc

Review the time schedule for the workshop.

"Each day will begin at [Insert time] and end at approximately [Insert time]. Lunch is between [Insert time]. Please note that we will start promptly at [Insert time] after lunch. We will also have one morning [Insert time] and one afternoon [Insert time] break of 15 minutes. Coffee, tea, and snacks are available throughout the day".

Review materials for the workshop and how the packet/binder and/or USB are organized:

"Your materials are in a binder, divided by session and include key handouts for your reference. You will also find a USB memory stick with readings and all of the presentations that we will use in this course."

Review other logistics (internet, location of restrooms, etc) and ask if participants have any questions before moving on.

Activity 2: Why Youth-Inclusive Financial Services, Why Now?

During this activity the participants discuss definitions for "youth" and "youth-inclusive" services in the financial services sector. The participants explore some of the challenges and opportunities in this sector from the perspective of various stakeholders. Understanding the diversity of perspectives confirms the need for youth-inclusive services and provokes participants to consider or reconsider how they are serving this market.

Objectives:
By the end of this activity, participants will have:

1. Defined Youth-Inclusive Financial Services (YFS)
2. Identified the benefits, risks and challenges of YFS to key stakeholders
3. Listened to an overview of the results of the Global Youth-Inclusive Financial Services survey

Preparation/Materials:

- Computer, projector, and screen for PowerPoint Presentation
- Flipcharts, sticky notes
- 💻 PowerPoint Presentation: *Why Youth Now and the State of the Sector*
- Handout: *Key Considerations in Linking Youth to YFS*
- Handout: *Reasons for Engaging in YFS*

Time: 80 minutes

Place paper car on "Main Objectives" icon of road map.

Steps:

a) The Definition of Youth-Inclusive Financial Services (15 min)

Ask the participants to think about the following question (☞ place question on flip charts ahead of time):

- ***Who are you targeting or planning to target with youth-inclusive financial services?***

Ask participants to write down target group on sticky notes and place them on the flip chart.

💻 Bring up slide 2 of the PowerPoint "Why Youth Now and the State of the Sector"

Once participants have placed sticky notes on the flip chart, 💻 review main points from PowerPoint slide 3.

Acknowledge that since there are a number of different definitions for youth, a more effective approach to serving youth is to align financial services with where young people are in their life cycle and to take into account age-specific regulations and contexts.

Elicit participant reactions to the varying definitions of youth; limit discussion to 3-4 minutes.

Highlight the definition of youth used in the course:

"For this course, we are using the definition of 12-24 years old"

Tip to the Trainer: The following are talking points related to defining youth as ages 12-24

Research on brain development shows that there is a critical time for developing abilities such as planning and that this begins at the age of 12 and stops around 24 years of age. They can think abstractly and deductively. Adolescents in this stage can consider future possibilities, search for answers, deal flexibly with problems and begin to relate to life experience, test hypotheses, and draw conclusions about events they have not yet experienced at the younger stage, but will experience as they transition through life events. Therefore "exercising" the brain to develop this kind of ability is important. For example use of savings will help young people develop planning ability and goal setting. Trying to do this after the age of 24 is more challenging.

Additionally, critical transitions also occur during the years of 12-24 and financial services can play a role as young people think about post primary education, starting productive work, adopting a healthy lifestyle, and forming a family. The five transitions important to youth transition periods are: learning after primary school age; starting a productive work life; adopting a healthy lifestyle; forming a family; and exercising citizenship.

Ask participants to share their thoughts on the definition of youth-inclusive financial services. Limit the discussion to 3-4 minutes and then post the course definition.

💻 Highlight the definition of Youth-Inclusive Financial Services PowerPoint slide 3.

☞ Place definition of youth-inclusive financial services on flip chart on wall for reference throughout the rest of the course

Youth-Inclusive Financial Services (YFS) are a range of financial products and services that are intentionally designed and adapted to take into account the needs of specific youth market segments.

YFS are typically offered by a range of financial services providers including formal financial services providers and community-managed or member-owned institutions.

Ask participants:

- ***How does this definition compare to your definitions? What is similar or different?***

b) Challenges and Opportunities in Engaging in Youth-Inclusive Financial Services (15 min)

Introduce the next task:

"Now that we have looked at the definition of youth-inclusive financial services, let's look at some of the challenges and opportunities in this sector from various perspectives."

Ask participants the following:

- ***Who are the three major stakeholders involved in the youth-inclusive financial services sector?***

Tip to the Trainer: Illicit the answers from the group – the three major stakeholders are youth-serving organizations, financial services providers, and youth. Be sure to clarify the meaning of youth-serving organizations and financial services by giving examples or asking participants to give their own examples.

Invite participants to divide into three groups and assume the point of view of a) a youth-serving organization; b) a financial service provider; and c) youth.

Distribute sticky notes to each group and ask both the YSO and FSP groups to write on the sticky notes at least two reasons why they would and reasons why they wouldn't provide financial services to youth.

Ask the youth group to write on the sticky cards reasons why they do and don't want to have access to financial services. Encourage participants to list as many reasons as possible.

☞ Prepare two flip charts ahead of time with the headings "Opportunities" and "Challenges" and post them on the wall:

Opportunities		
Youth	Youth-Serving Org (YSO)	Financial Service Provider (FSP)

Challenges		
Youth	Youth-Serving Org (YSO)	Financial Service Provider (FSP)

Ask a representative from each group to post sticky notes or note cards on the flip chart and to present their reasons once they are ready.

Sample Responses:

Opportunities and Challenges of Youth-Inclusive Financial Services

I. Youth Serving Organizations
   A. Opportunities
      1. The market is huge
      2. Training opportunities
      3. Job creation/intra/ownership
      4. Increasing household income
      5. YSOs understand young people very well and know how to work with them
      6. YSOs have relationships with the community
      7. Can provide safe spaces for transacting and providing non-financial services

   B. Challenges
      1. Youth are mobile
      2. No collateral
      3. No skills/formal education for greater percentage
      4. Youth migration from one location to another
      5. Lack of financial education
      6. No identification and other legal and regulatory barriers
      7. Lack of adequate products that respond to their needs
      8. Legal and regulatory barriers

II. Youth
   A. Opportunities
      1. Young people working with YSOs can now access financial services to save, the take out a loan to start a business, to transfer money, or take out an educational loan to go to school
      2. Youth become financially independent
      3. Youth can build assets
      4. Youth become more financially informed adults
   B. Challenges
      1. Products are not designed to include youth
      2. Perception that banks are for rich people or “not for them”
      3. Youth lack collateral
      4. Youth do not have reliable income

5. Legal and Regulatory Barriers
6. Youth are mobile

III. Financial Service Providers
- A. Opportunities
  1. New market/expand activities
  2. Cross-selling
  3. Total client profitability
  4. Long-term loyal clients
  5. Image – Corporate Social Responsibility
- B. Challenges: Youth Migration/Poor Infrastructure
  1. Absence of collateral/risky market for credit product
  2. Competition
  3. Understand needs of youth and how to conduct a market study
  4. No financial education/no teaching youth skills to manage savings and credit
  5. Legal and Regulatory Barriers
  6. Buy-in from staff and senior management
  7. Staff may not have the right skills to work with young people
  8. Youth are mobile
  9. High Costs

Additional Reasons for Engaging in Youth-Inclusive Financial Services (included in Participant Binder and optional for the trainer to mention)

I. Relevance to youth:
- A. Enterprise development (helps young people start and expand business, especially when there are high unemployment rates)
- B. Asset building and asset protection (helps young people save and accumulate assets they can leverage in the future including education)
- C. Workforce development (help build skills that may be marketable in the labor market)
- D. Build credit history and confidence to use bank services
- E. A way out of poverty and contribution to household economic situation

II. Relevance to Youth Serving Organizations:
- A. Helps complement other livelihoods development activities and build income
- B. Helps complement entrepreneurial skills and business skills development by providing access to credit to start or expand business
- C. Self-employment opportunities and job creation
- D. Helps build young people’s confidence and good skills/awareness to integrate into formal financial systems
- E. Decrease inter-generational poverty
- F. Reduce young people's role in conflict
- G. Reduce vulnerability

III. Relevance to MFI and other financial services providers:

A. Competitive microfinance markets
B. Cultivate young people as clients (increase client base, client retention, long term client profitability)
C. There is a vast market (some are served already)
D. Satisfy corporate social responsibility (bolster bank's reputation)
E. Foster good money management habits
F. Integrate young people into the financial system
G. Help young people build assets allowing them to expand businesses

Source: Global Assets Project: Child Savings Account A Primer 2008

Other Opportunities

I. **Build a stronger base of human capital:** Labor is the main asset of the poor; making it more productive is the best way to reduce poverty. The capacity to learn is much greater for younger rather than older people; so missed opportunities to acquire skills, good habits and desire to engage in community and society are costly to remedy.

II. **Seize the opportunities of the "youth bulge".** The need to address youth issues now is also rooted in demographics. Today 1.5 billion people are aged 12-24 worldwide, 1.3 million of them in the developing world. The number of young people is peaking or will peak in the next ten years in most developing countries (exceptions include countries in transition such as in Europe and Central Asia). However, sub-Sahara Africa, Afghanistan, Iraq and West Bank Gaza and the Republic of Yemen will hit the peak in 20 years.

Source: Executive Summary, WDR 2007.

Common Challenges in Youth Financial Services (included in Participant Binder)

I. **Youth Financial Services providers have to overcome youth stereotypes.** Staff often are skeptical of young people's abilities to manage loans.

II. **Specialized staff may be needed in financial institutions that target youth.** It may be necessary to re-train staff, or acquire new staff with specific expertise in youth.

III. **Financial institutions have to address their financial sustainability needs when serving youth.** There are added costs when serving youth such as adding or adapting BDS services, hiring specialized staff to work with youth, doing community sensitization, conducting market research using youth friendly tools, and other related activities will add expenses which will affect the financial sustainability of any institution.

IV. **Financial services providers should take care to do no harm with financial products for youth.** Youth financial products should not increase the financial, psychological, and/or physical vulnerability of the youth who receive them. Make sure to think of "what might hurt?"

Source: State of the field in Youth Enterprise, Employment and Livelihoods Development, September 2008, Page 106-109

Review responses and then ask participants to refer to the handout in their binders and note any reasons that were not captured on the sticky notes

Tip to the Trainer: Throughout this course, many participants will say "young people are risky." It is important to emphasize from the beginning that there is little evidence that shows that young people are riskier than adults. In fact, there are examples of institutions like Al Amal Bank who have provided credit to young people and repayment rates are almost at 100%. In addition, risk is a relevant term. Entering into any new market may require a financial service provider to take on a certain amount of risk, however they find ways to manage that risk. In youth-inclusive financial services, it may be that non-financial services such as financial education or business development skills can help manage the risk of a loan. Emphasize that as the sector grows, we will have a better understanding of the risk profiles of young people.

Close this activity by saying:

"There are many challenges and opportunities from the perspective of these three major stakeholders in youth-inclusive financial services. During this course, we will look at the experiences of leading institutions to see how they have overcome these challenges and will also look at what strategies they have used to take advantage of the opportunities mentioned here"

Tip to the Trainer: Keep these flip charts on the wall throughout the course so that participants can continue to add challenges and opportunities throughout the wall. It may also be useful to add an additional flipchart that is titled "How to address these challenges."

c) Global Reasons to Focus on Young People (15 min)

Share with participants that these opportunities and challenges have always existed but it has become critically important to focus more attention on serving youth given the anticipated change in demographics globally.

Use PowerPoint Presentation titled "Why Youth Now and the State of the Sector" to present slides 5-9.

Tip to the Trainer: This presentation with all the statistics frames the urgency to serve youth very well. The technical heart of this presentation is the youth bulge and windows of opportunity. You can refer to the Trainer Notes below for use as talking points or additional data (notes also in PowerPoint Presentation).

Striking statistics about youth
Of the world's 1.5 billion people between the ages of 15 and 24, 1.3 billion live in developing countries. Young people comprise well over 50 percent of the population in many countries and are on average three times as likely to be unemployed as adults. While the world's youth population grew by 10.5 percent over the last decade, youth employment only grew by 0.2 percent. Unfortunately, this youth unemployment crisis will continue. The International Labour Organization estimates that over the next ten years only 400 million new jobs will be created while one billion young people will be entering the labor market.

The size, scale, and impact of the "youth bulge" are staggering. Youth are entering the job marketplace at a rate higher than job growth. A recent report from the Middle East/North Africa Department of the World Bank estimates that the region will have to produce 50 million new jobs in next 20 years just to maintain the *current* employment rates.

d) Sector Snapshot: What is the state of Youth-Inclusive Financial Services? (35 min)

Share the following with participants:

"*The statistics provide clear reasons to focus on youth and a picture of the sector from the demand side. Now let's look at what is currently happening in the Youth-Inclusive Financial Services sector from the supply side.*
In 2009, Making Cents conducted a Global Youth-Inclusive Financial Services survey of 131 organizations providing or supporting youth-inclusive financial services. Although results are from preliminary analysis, and are only from the perspectives of the suppliers, they provide a snapshot of what the sector looks like."

Use PowerPoint Presentation titled "Why Youth Now and the State of the Sector" to present slides 10-18 from the Global YFS Survey (embedded within Why Youth Matters PPT).

Tip to the Trainer: Refer to notes in the PowerPoint for talking points.

Facilitate a question and answer session based on the PowerPoint. Participants should have a basic overview of the opportunities, challenges, and the state of the sector by the end of this activity.

"The Global YFS survey is by no means the universe. Nevertheless it allows us to get a better understanding of what some of the opportunities, challenges, and gaps are from the supply-side."

Activity 3: Challenges and Opportunities: You Decide! (Optional)

This activity can be used instead of or as a complement to "Session 2 Activity 2 Step b" and will work well with participants who are more removed from specific youth populations. In this activity, participants will read various facts and statistics derived from a study in Indonesia and will identify whether or not each scenario is an opportunity or a challenge. It is appropriate for a group of 16 or fewer people and each person should have at least one statement card.

Objectives:
By the end of this activity, participants will have:

1. Identified the opportunities and challenges involved in delivering youth-inclusive financial services.

Preparation/Materials:

- Cards with individual statements

Time: 20 minutes

Steps:

a) **The Definition of Youth-Inclusive Financial Services (15 min)**
Break into small groups of 3-4 and distribute to each participant a statement card. Ask each participant to share his/her statement card with the group and discuss for 5 minutes if and why the statement is a challenge or opportunity to expand financial services to young people. Designate one representative from each small group to be prepared to share the group's conclusion and any interesting key points that emerged during the discussions.

Once participants have discussed the challenges and opportunities, reconvene into a large group and ask each small group representative to share their statement, conclusions and interesting key points.

(See statement cards below)

Close by sharing with participants:

"We just took a look at some of the challenges and opportunities that may arise when engaging in youth-inclusive financial services. As shown in the activity, some issues that are typically viewed as challenges can also be opportunities."

On average, 22% of Indonesian MFI clients are youth (defined as less than 30 years of age.)	Youth borrowers (<24 years) have equal to or slightly higher repayment rates than the total clientele in the majority of Indonesian MFIs.
Most Youth-Focused MFIs which **do** specifically target youth are not financially viable and do not have significant outreach or sound operational performance, while others do so only as a function of an existing loan guarantee program.	A high percentage of Indonesian youth (78 percent) examined in all regions view self-employment and entrepreneurship as their best employment option and strategy, preferred over formal employment in private and public sectors.
Some MFIs that **do not** specifically target youth provide services to this population (up to 70% of borrowers), through a combination of loan product, methodology and capacity for loan analysis. These MFIs typically had strong operational and financial performance.	Unemployment for those under 29 is well over 70 percent; the unemployment problem of Indonesia is a "youth employment problem."
There is a direct correlation between availability of non-traditional, informal forms of guarantees and high outreach to youth.	The official unemployment rate in Indonesia is 12 percent, 60% of which is young people (15-24 years). This population represents 42 million people.
MFI management and loan officers see some associated risk with lending to youth, but highest risk with lending to start ups.	There are approximately 4 million MSMEs which are founded and managed by youth and (by 15-24 year olds), employing more than 8 million workers.
Most MFI management and staff believe that vocational and entrepreneurial training programs can make a significant contribution to building youth borrower credence with lenders. However, MFIs showed no willingness to become direct service providers of these types of programs.	The majority of youth entrepreneurs fund their business start up through accumulated savings first, while a high percentage also rely on family loans and investment, and a small percentage rely on loans and investment from friends.
All institutional types of microfinance (including BPR, cooperatives, and BMT and foundations) can and do effectively reach youth with a wide range of loan sizes and products.	Youth do not perceive MFIs or commercial banks as a possible source of startup capital and few perceive MFIs as a possible source of ongoing capital for an existing business.
High percentages of youth believe that vocational and enterprise training could assist them, but they strongly prefer private sector initiatives to government programs.	Youth believe that the most useful financial products are savings accounts and ATM cards. Almost half of the youth surveyed have savings accounts (less for unemployed).

Session 2: Emerging Guidelines in Youth- Inclusive Financial Services: The Need, Risks and Benefits of Youth-Inclusive Financial Services

This session moves to a broader picture of the sector. It introduces participants to the "Emerging Guidelines in Youth-Inclusive Financial Services" and engages them in analyzing the experiences of one microfinance institution as one example of these guidelines.

Session Objectives:
By the end of this session, participants will have:

1. Identified effective practices from a case study of ProMujer Bolivia
2. Compared the Emerging Guidelines in Youth-Inclusive Financial Services to the ProMujer Bolivia case study
3. Determined which emerging guideline would most enhance their work with youth

Total Session Time: 55 minutes

Overview of Activities

Activity Title	Duration	Materials Needed
1) Introduction to Emerging Guidelines in YFS	55 minutes	Emerging Guidelines Wall Poster/Flip Chart Flip Charts Markers Emerging Guidelines Handout: *Summary of YFS-Link Case Study #13 - Exploring Youth Financial Services: The Case of ProMujer in Bolivia*

Activity 1: Introduction to Emerging Guidelines in YFS

During this activity, participants identify effective practices in Youth-Inclusive Financial Services using a case study from Bolivia and compare them to the Emerging Guidelines in Youth-Inclusive Financial Services. The case study and Emerging Guidelines provide participants with tools for reflecting on their current work with youth.

Objectives:
By the end of this activity, participants will have:
1. Identified effective practices from a case study of ProMujer Bolivia
2. Compared the Emerging Guidelines in Youth-Inclusive Financial Services to the ProMujer Bolivia case study
3. Determined which emerging guideline would most enhance their work with youth.

Preparation/Materials:
- Flipcharts, sticky notes
- Handout: *Summary of YFS-Link Case Study #13 - Exploring Youth Financial Services: The Case of ProMujer in Bolivia*
- Emerging Guidelines Wall Poster

Time: 55 minutes

Steps:

a) **YFS Case Study (25 min)**
Refer participants to the summary of *YFS-Link Case Study #13: "Exploring Youth Financial Services: The Case of ProMujer in Bolivia"* in their binder and ask them to think about the following questions (☞ place question on flip charts ahead of time) as they read the case study:
- ***What are the most important lessons learned in this case study for you?***
- ***Which of these lessons learned could be considered an effective approach for serving youth with financial services?***

Invite a representative from each group to share an example of a possible effective approach.

☞ Keep note of participant responses connecting the case study to the emerging guidelines.

Use the points below to guide your discussion:

Sample Responses: "Lessons Learned" are from the case study itself while "Effective

Approaches" are the lessons learned translated into an effective strategy for financial service providers or youth-serving organizations (i.e. Lesson Learned = ProMujer did not listen to the market research; Effective approach = conduct market research and incorporate findings into the product design)

I. **Listening to market research is critical:** Market research showed individual loans and savings-only groups as attractive but that they 1) didn't have capacity for individual loans and 2) were unsustainable due to regulatory limitations.
II. **Adapt products to meet the needs of youth:** Train staff to work with youth, adjust meeting times around school schedules, have separate groups for youth who would feel more comfortable around their own peers, and make life skills training pertinent to youth.
III. **Think about long-term investment**: Cost-cutting in the short-term could prevent success but tailoring more to a certain market segment could make a product more successful in the long-run.
IV. **Look at your existing portfolio:** Young clients are typically already being served in your existing portfolio. Target existing clients and make small changes to increase uptake and to serve them more effectively.

b) Youth-Inclusive Financial Service Emerging Guidelines (20 min)

Present the Youth-Inclusive Financial Service Emerging Guidelines by posting Emerging Guidelines list on the wall or ☞ prepare flip chart in advance with just the bolded statements. Share with participants the history of the emerging guidelines:

"In 2008 Making Cents invited leading practitioners who were piloting YFS initiatives to a workshop where they shared their strategies and lessons learned. Out of this workshop and related consultations came 15 guidelines, which were later distilled to the six guidelines listed here. We expect that over time these emerging guidelines will evolve into sound practices, as more experience is accumulated in youth-inclusive financial services."

Ask participants to read each of the shortened guidelines and think about:

- ***How do these guidelines relate to ProMujer's experience?***

☞ Keep note of participant responses connecting the case study to the emerging guidelines.

Youth-Inclusive Financial Services Emerging Guidelines

What are the promising practices to date in providing youth populations with financial services? Is savings the best place to start? Are partnerships essential to increasing access to youth-inclusive financial services? Do products need to be designed specifically for youth or simply be made more accessible to them? As a result of collaborative input, case studies, and discussions of practitioners from financial services providers and youth-serving organizations during conferences and in Making Cents' youth and financial services course, six emerging guidelines have been identified.

1. **Involve youth in market research and product development.** [*Attention to the particularities of the youth market and involvement of youth in the development processes may result in simple, yet important changes to existing—and in critical elements for new—products and delivery channels.*]

2. **Develop products and services that reflect diversity of youth.** [*The youth market contains sub-segments related to age (legal age), life cycle stage (marital and parental status), gender, education, employment status, and vulnerability. These differences should be taken into consideration in product design and delivery.*]

3. **Ensure that youth have safe and supportive spaces.** [*These help build youths' confidence and enable them to take advantage of opportunities. This may involve infrastructure considerations, delivery mechanisms, and social networks. It also includes appropriate protections through codes of conduct that are age appropriate.*]

4. **Provide or link to offer youth complementary non-financial services.** [*These may include such non-financial services as mentoring, financial literacy, cultivation of a savings culture, and life-skills training.*]

5. **Focus on core competencies through partnerships.** [*Assess institutional capacities and complement strengths and weaknesses by collaborating with YSOs, schools, training institutes, and other entities, particularly for safe spaces and non-financial services.*]

6. **Involve community.** [*Involve the community—starting with the family, but also including schools, teachers, and other local groups—to mutually reinforce and enhance the effectiveness of financial and non-financial services.*]

c) The Relevance of the Emerging Guidelines (10 min)

Ask participants to reflect for a moment on the emerging guidelines.

Ask the following:

- ***How could one of the emerging guidelines be incorporated into your work and what would be the potential result?***

Go back to the YFS Roadmap and remind participants of the YFS journey:

"Placing the need for financial services for youth within the context of a changing demographic and understanding the emerging guidelines that have been created to address some of the challenges and opportunities of serving this market was the first step. Our next step is to gain a deeper understanding of the clients your organization wants to serve through implementing market research. "

Move the paper car to the Market Assessment & Research icon on the roadmap.

Session 3: Youth-Inclusive Market Research

The third session focuses on market research as the critical component for designing appropriate and effective youth-inclusive financial products. During this session participants recall some of their experiences in conducting market research and compare it with other approaches. In the final activity of the session participants practice identifying product features based on market research findings.

Session Objectives:
By the end of this session, participants will have:

1. Stated their assumptions about the economic activities of youth
2. Listened to the market research experience of a microfinance institution
3. Compared their current approach to market research with approaches used by other organizations
4. Proposed a way to align their organization's current market research practices with the three levels of market research framework
5. Used market research findings to generate a list of possible product features

Total Session Time: 140 minutes

Overview of Activities

Activity Title	Duration	Materials Needed
1) The Importance of Market Research and Market Assessment	80 minutes	Flipcharts, sticky notes Computer PowerPoint: *Market Research: Getting to Know What You Don't Know* PowerPoint: *Ryada's Market Research Experience* Handout: *Levels of Market Research* Handout: *What Do We Know About Youth?*
2) Application of Market Research	20 minutes	Flipcharts, sticky notes or note cards PowerPoint: *Youth Savings Product for Adolescent Girls*

3) Market Research Tool Simulation (Optional)	40 minutes	Flipcharts, sticky notes, round ball, rubber chicken, stretchy ball Handout: *Money Flow Tool*

Activity 1: The Importance of Market Research and Market Assessment

During this activity, participants explore their personal experiences with market research and compare it to other approaches in order to refine their current practices.

Objectives:
By the end of this activity, participants will have:

1. Stated their assumptions about the economic activities of youth
2. Listened to the market research experience of a microfinance institution
3. Compared their current approach to market research with approaches used by other organizations
4. Proposed a way to align their organization's current market research practices with the three levels of market research framework

Preparation/Materials:

- 💻 PowerPoint: *Market Research: Getting to "What We Don't Know We Don't Know"*
- 💻 PowerPoint: *Ryada's Market Research Experience*
- Flipcharts, sticky notes
- Handout: *Levels of Market Research*
- Handout: *What Do We Know About Youth?*

Time: 80 minutes

Steps:

a) **Importance of Market Research with Youth (5 minutes)**
Ask participants to answer the following:
   - ***Why is it important to implement market research with the potential users of the financial products?***
   - ***How do you think Market Research with youth is different from adult-oriented Market Research?***
   - ***What are some assumptions you have about youth and their economic activities?***

☞ Keep a note of participant responses

<u>Tip to the Trainer:</u> If participants ask what is the difference between market research and market assessment, the following are some guidelines:
Textbooks differentiate market research and market assessment- market assessment tests demand for a particular product while market research tests attributes of that product.

Sample Responses:

Why is Market Research with youth important?

I. Testing assumptions
II. Focus on building on assets and strengths and highlighting key gaps
III. Demand-driven versus supply-driven
IV. Engages youth as a primary stakeholder in the process of design of programming and/or new products and services

Why is it different?

I. Interactive methodology that engages youth as active participants and drivers of the activity
II. Youth indicate that this interactive approach supports them in learning about themselves
III. Youth are not homogenous

Share with participants the following:

Emphasize that in order to design financial services adapted to meet the needs of youth, it is important to make sure we have a real understanding of youth by testing our assumptions about youth and their economic activity through youth-inclusive market research.

Tip to the Trainer: Below you will find market research findings that address previous assumptions about young people.

Most youth are economically active. We assume that because youth are unemployed they are not economically active, yet recent studies show that young people ages 14-25 are already contributing to household income through work in the informal sector, in household based enterprises, in family-based farming, fishing, and petty trading.

Young people's economic activities are linked to household livelihood strategies. Not all youth are immediately seeking to be self-sufficient or economically independent.

Households are actively engaged in planning for youth livelihood development. Families seek out technical training and/or vocational immersion experiences with family members of their immediate or extended families, or from neighbors or community members.

Youth must often balance education with work. It is tempting to think that youth will abandon school if they start or expand a microenterprise. The opportunity can be more

"learning while earning." Shift from "school TO work" paradigm to "school AND work" paradigm.

The Youth cohort is diverse. Any meaningful appraisal of needs, aspirations, assets and obstacles must disaggregate youth data in a number of ways by age, gender, ethnicity, rural/urban, household income, marital status, and in/out-of-school.

Adapted from Youth Livelihoods Development Program Guide, June 2008

b) Institutional Market Research Experiences (15 min)

In this step, the trainer will share with participants the experience of Ryada in conducting market research.

Introduce Ryada to participants:

"Ryada, which means pioneer in Arabic, is one of the largest microfinance providers in the West Bank and Gaza with a portfolio of about $12 million, over 5,103 active loans, $12.2 million in assets, 42 staff and five branch offices throughout the Palestinian Territories in Gaza, Hebron, Nablus, Tukrarkem, and Ramallah (data as of May 2009). Ryada is sustainable; its operational self-sufficiency is 131% and its portfolio at risk is 3%.

Ryada serves around 3,500 clients the majority are ages 18-35 but wanted to expand their reach among youth so they set out to conduct market research."

💻 Use PowerPoint Presentation titled "Ryada's Market Research Experience"

Share with participants:

"We're going to briefly talk about Ryada's experience in conducting market research. Of course the experience wasn't as "neat" as we present it here. Some of the steps happened simultaneously and there were some challenges along the way. However, this is the broad experience.

There were broadly three phases in market research: pre-market research, actually conducting market research, and post-market research (cue animation).

- ***Pre-Market Research*** *In the pre-market research phase they asked themselves: Who, What and How? In Ryada's case the MFI decided to outsource the MR to a local consulting firm because they did not have the in-house human capital to do so. Staff were tied up in day to day activities and would not have time to get involved in further research. Ryada also decided to call in TA for the 'what' and 'how'. Making Cents came up with a set of assumptions to test and then decided*

on the number and type of focus groups to be conducted. MC also developed the focus group guides and in-depth interview tools.

- ***Market Research*** *After the Pre-market research comes actually conducting market research. In Ryada's case, the consulting firm conducted the market research and submitted reports to Ryada. A Ryada manager also ensured that all focus groups were conducted. Making Cents provided TA in reading the reports.*

- ***Post-Market Research*** *The post stage of market research involves analyzing the data and making recommendations. Ryada was part of every conversation and read the reports but asked Making Cents to play a large role in providing feedback and ensuring that the data presented in the reports were reported well.*

Now that we have briefly looked at the steps that Ryada took, we will look at our own experiences with Market Research."

c) Personal Market Research Experiences (25 min)

The benefits of conducting Market Research to develop financial products are well-known. We are going to share specific examples of how to implement Market Research as a means to gaining exposure to other effective approaches.

Ask participants to identify themselves if they have had significant market research experience. Form groups of 4, placing at least one participant who is experienced in market research in each group.
Provide each of the groups with flip chart versions of the chart below (☞ draw chart on multiple sets of flip charts ahead of time – one for each group):

Purpose	*Specific Question*	*Tools*	*Target Group*	*Findings*	*Recommendations*

Ask each of the groups to select 1-2 Market Research experiences to present on the chart using the following questions as a guide (☞ place questions on flip charts ahead of time):

- ***What was the purpose of doing the needs assessment or market research?***
- ***What were some of the specific questions that were being asked? Be as specific as possible.***
- ***Describe the kinds of tools you used (surveys, questionnaires, focus group guides, etc.)***
- ***What new discoveries did you make as a result of the market research? Did the findings confirm or challenge your assumptions?***
- ***What recommendations were made for programming or service design as a result of the findings?***

Give the group 15 minutes to complete the chart and 10 minutes to share their example in the large group.

Close by sharing:

"As you saw in the previous activity, in all of these experiences, it was important to first understand the specific objective of the market research, define the appropriate research questions, and match market research tools to those questions and objectives. Beyond the tools and approaches that we just shared, there are other sources we can look to specifically for conducting youth-inclusive Market Research. We'll look at some of those organizations next."

d) The Levels and Steps of Youth-Inclusive Market Research (20 min)

💻 PowerPoint: Market Research: Getting to know what you don't know

One of these organizations is Save the Children. Save the Children uses a three level framework to go from broad to specific learning about young people:

Refer to 💻 PowerPoint slide 2 and describe the 3 Levels of Market Research

Share the following with participants:

"Each level represents a different type of information that is needed to inform product development.

*For example, the first level is called **Market Engagement.** This level acquires a broad description of young people and what general activities they may be engaged in as well as further understand what additional characteristics they have that may put them into different market segments. It also allows the researcher to gain an understanding of general decision-making roles in the household – as we know that young people can be connected to a household."*

Briefly ask here:

- ***Why is it important to segment the youth market?***

Sample Responses:

I. Youth are not homogenous
II. May have different needs (for example, savings may be more important for younger cohorts)
III. Difference between girls and boys
IV. Importance of age and stage in life cycle (for example, young unmarried people and young married women)

Share the following with participants:

"Deep segmentation is often not considered with youth-inclusive financial services. A USAID study indicates that MFIs and YSOs define youth in different ways. Most MFIs define youth as between 15-24 years, while YSOs define youth in more specific ways (age cohorts, marital status, etc).[1]"

The next level is Market Description.

- ***Market Description:*** *This level gets further into decision-making, use of services and determination of the asset base of clients. One primary purpose of this level is to begin identifying gaps that the intervention could fill.*

From Market Description, we move to a more specific level of market research called Market Definition.

- ***Market Definition:*** *This level gets to the determination of priority preferences, for example whether a young person prefers to save at home or at school, or whether they prefer to withdraw two or three times a month from their account.*

Going through the levels, means going from a broader understanding of the market and segments to gaining a deeper level of understanding in order to translate research into product preferences. This framework is useful to understanding what kind of data financial institutions may already have (or have access to) with minimal resource investment.

Youth serving organizations and microfinance institutions often use the findings from a broad level of study to make a recommendation on specifics of a product and there is no clear connection between the findings and the recommendations. By breaking down market research into levels, Save the Children was able to help field teams deepen their Market Research and make it more specific."

Tip to the Trainer: Do not assume they are aware of the different tools that are mentioned in this slide. Use the information below as a guide to explaining the different tools mentioned in the slide.

Mobility Mapping: A Tool that helps us understand where young people spend their time and what they do with their time, which allows us to understand what they have access to and what they prefer to have access to: land, water, health, and education. Mobility mapping helps us understand the "how" in product design and more specifically possible delivery channels.

[1] USAID Micronote #30 Serving Youth with Microfinance. Perspective of MFIs and Youth Serving Organizations. September 2005.

Pathway Tool: Helps us understand significant life experiences in a young person's life and how financial services work.

For example, for a young person from age 5 to 30, what are the significant transitions: school, university, marriage – and what are the financial costs related to these life events? It helps to understand household decision-making and the potential role for financial services depending on the individual's role in the household.

Pair Rankings: List financial service options on the top axis of a grid (piggy bank, ROSCA, commercial bank); List on other axis the characteristic of the service options: (access, safety, etc.) e.g. access/piggy bank or safety/commercial bank.

Describe the Steps of Market Research using 💻 PowerPoint slide 3.
Share with participants:

"This next slide maps the steps of youth-inclusive market research and shows us how to engage youth in the market research process: Institutions that work well with young people are able to engage young people, from brainstorming or surfacing of ideas to organizing these and then to initial analysis of the data. In this process young people are able to go through their own critical analysis of the data and contribute substantially to service development."

Tip to the Trainer: Use the following as a guide to PowerPoint slide 3.

- Surfacing of ideas and experiences: Allow youth to express themselves through various mediums
- Organization of ideas and experiences: Through ranking, scoring, and comparing
- Analysis of ideas and experiences: By drawing out key trends and ideas from youth

Share the following with participants:

"The steps of market research introduce us to simple steps that we can take to make the process and tools more youth-inclusive."

e) Personal Experiences and the Three Levels of Market Research (10 minutes)

Share the following with participants:

"Let's look back at what we did step c and look at your personal market research experiences using the Save the Children framework and the levels of market research.

What level(s) of market research were you conducting? What, if anything, will you do differently the next time now that you are aware of the three levels?"

Close by sharing:

"The levels of market research can help institutions undertaking youth-inclusive market research assess their objectives and gain a better understanding of which level of market research they should be conducting. The steps of market research introduce us to simple steps that we can take to make the process and tools more youth-inclusive. When designing a financial product for youth it is critical to clearly understand your objective, assess the level of market research that will be conducted, and adapt the tools and techniques to more effectively engage youth in the process. Market Research is critical to informing product development. The next activity provides an opportunity to practice applying market research findings."

Activity 2: Application of Market Research

During this activity participants design a financial product for girls based on market research findings from an organization in Kenya in order to practice translating research findings into product features.

Objectives:
By the end of this activity, participants will have:
1. Used market research findings to generate a list of possible product features

Preparation/Materials:
- Flipcharts, sticky notes
- 💻 PowerPoint: *Youth Savings Product for Adolescent Girls*

Time: 20 minutes

Steps:

a) **Application of Market Research Findings (15 minutes)**
Share with participants that this final activity provides an opportunity to define the features of financial products for youth using market research findings.

"Let's look at how to use the trends and findings from the market research to define the product's features. We are using market research from MicroSave and Population Council in Kenya as an example. The method used to conduct the market research was focus group discussions and the objective was to better understand the financial habits of adolescent girls between the ages of 10-19."

☞ Prepare the following ahead of time on 1 or 2 flipcharts, or show slide:

Findings from market research and prior program experience	Product features
1. Desire to meet friends regularly.	
2. Need/want a mentor with whom they have regular contact.	
3. Girls need a safe place to meet.	
4. Girls want to be in control of their account.	
5. Girls want to access their accounts confidentially.	
6. Girls save in small and irregular amounts.	

Divide the participants into pairs and distribute sticky notes or note cards to each pair. Ask them to read each market research finding and write down, using the sticky notes, a

product feature associated with that finding. Remind participants that these finding are all connected to one product and that this product is a savings product. Limit pair work to 5-7 minutes and then invite a representative from each pair to place their sticky notes next to the appropriate market research finding.

When all sticky notes are posted invite all participants to view the different product recommendations on the flipchart.

Show the 💻 PowerPoint (Slide 2): Youth Savings Product for Adolescent Girls and reveal the actual product features from this Population Council/MicroSave example of market research for a savings product.

Findings from market research and prior program experience	Product features
1. Desire to meet friends regularly.	Girls are organized into groups that meet weekly.
2. Need/want a mentor with whom they have regular contact.	Each savings group has a mentor who attends weekly meetings.
3. Girls need a safe place to meet.	Financial institution provides a safe place for the weekly meetings.
4. Girls want to be in control of their account.	Each girl has her own individual account which is not dependent on the group.
5. Girls want to access their accounts confidentially.	The girls can decide whether or not to inform their parents.
6. Girls save in small and irregular amounts.	Can deposit any amount and there are no fees to deposit.

Ask participants to share the following:

- ***What was surprising once the actual product features were revealed?***
- ***Thinking back to the levels of market research, which levels of market research were used to contribute to these product features?***

<u>Sample responses:</u>

I. # 1: Indicates a type of information gathered at the first level of market research: Market Engagement
II. # 4: Clearly states a preference of an individual account versus a group account: Market Definition
III. # 6: Looks at describing types of assets they have: Market Description

b) Connection to next session (5 minutes)

Summarize the Market Research session by sharing the following:

"Young people do well in market research when it takes into consideration their need for high-engagement activities. Practitioners must be therefore be skilled in the use of approaches that work well with young people by including activities such as drawing,

games, role plays, etc. The market research tools that were mentioned were examples of tangible exercises that better reveal their realities, but must be conducted appropriately.

It is also important to understand that young people are not homogenous. Having a focus group with 7-21 year old girls is not as effective as holding a focus group for the various cohorts within that group, as the needs of a seven year old girl will be vastly different from that of a twenty-one year old girl.

We have looked at one example of how market research was used to define the features of a product. The next stop on our journey will delve more deeply into the various types of products and services developed for youth."

Move paper car to the "Designing Financial Products and Services" icon on the Roadmap.

Activity 3: Market Research Tool Simulation (Optional)

During this activity, participants have an opportunity to conduct a focus group discussion designed to use with groups of youth in order to provide a practical exercise in youth-inclusive market research. Conducting a focus group gives participants a chance to understand how market research with youth is different and how the type of information revealed in qualitative methods can be useful to product design.

Objectives:
By the end of this activity, participants will have:

1. Practiced facilitating a market research tool designed for youth focus groups.
2. Identified the ways in which the tool is and is not effective for market research.

Preparation/Materials:

- Handout: Money Flow Tool
- Flipcharts
- Koosh Ball, rubber chicken, Stretchy Ball

Time: 20 minutes

Steps:

a) **Money Flow Tool Simulation (40 minutes)**
Share with participants that this activity provides an opportunity to practice conducting market research. It involves facilitating the money flow tool with a group of youth.

The money flow tool is a guide to conducting a focus group discussion to gain a better understanding of the following: learning about sources of money and how regular the source is for participating young people; learning about expenses for participating young people; learning about age and gender differentiation on sources and expenses; learning about priority uses of money and decision-making associated with it.

Invite 5-6 volunteers to represent a group of young people from a local area or an area participants are familiar with (i.e. slum girls ages 12-15 in Kenya; rural boys in Senegal, etc.). Share with the group that they will now be participants in a mock focus group and that the course trainer will lead the focus group.

Share the following with volunteers:

"Each of you will pretend to be [12-15 year old girls from a slum urban area of Accra] or representing young people from the local site who earn money in a number of ways. Use

your knowledge of young people to draw on for this mock session. A focus group guide will be used by me to model use of this tool."

Facilitate a 30 minute mock session using part of the "Money Flow Tool" with the group of volunteers.

In the mock session, simulate the following sections from the "Money Flow Tool" Guide:

- Greeting
- Facilitation Tools
- Sources of Money
- Conclusion (simulate concluding a focus group)

Invite those observing to answer the following (☞ prepare ahead of time on a flip chart*)*:

- ***What skills did the moderator use?***
- ***How did the moderator engage the group?***

Invite participants who observed to share their observations and responses to the two questions about skills and engagement approaches used by the moderator. Note these down on flip chart paper.

Ideally, there are 6-8 participants per focus group. Time-permitting, have participants practice in groups with each other. Ask participants note observations about what is different when working with youth.

Carry out Focus Group Tool (next page)

Ask participants to share their observations about the trainer and useful facilitation techniques when working with youth as opposed to conducting typical market research with adults.

Focus Group Tool
"Money Flow"

***Introduction to Focus Group Tool**: The use of this tool will accomplish the following:*

- *Learning about sources of money and how regular the source is for participating young people*
- *Learning about expenses for participating young people*
- *Learning about age and gender differentiation on sources and expenses*
- *Learning about priority uses of money and decision-making associated with it*

Greeting: We are _____ and _____ from _____ and we are working with our financial service partners to develop a program for young people like you living in _____. We will be inviting many groups of young people to contribute in this way or through interviews to help us develop a program that will be useful to young people.

We are grateful for the time given to this activity and would like to thank _____for coordinating with all of you and inviting you. This activity should last no more than an hour and a half.

Note: At this time you may wish to address any questions participants may have.

The use of the set of tools introduced below is optional. They are meant to promote cognition and have proven effective with many organizations using these. You may wish to refer to Save the Children's "Getting to What We Know We Don't Know - Volume II: Trainer's Guide" developed by David James-Wilson and Veronica Torres for further information on these.

Facilitation Tools: Since one of the goals of today's meeting is to include everyone's participation, and to be sure that all voices are heard, we have a few tools that will help us. All of us, including us (your trainers), will need to respect their use.

1. First we have the "**Koosh"** ball - We will use it to invite participation, and the person who has the Koosh is the only one with the right to speak. You can ask for the Koosh if you want to say something or pass it to someone else in the group if you want to invite them to share an idea or opinion.
2. If you are having to wait patiently for the Koosh and are excited to talk, we will give you the "**Stretchy Ball**". You can pull it and stretch it like this (show them) and it will help you relax as you wait your turn. For now, let me give it to _____ who can pay attention to giving it to the first person who needs it or share it with others who might like to hold it just for fun.
3. Next I would like to show you another tool. The "**Chicken**" - it is used to signal to someone that they might be speaking a little too much (like a hungry chicken eating all

of the grain). We can use it in a gentle way by shaking it at the person (show them) or sometimes by gently tossing it to someone. For now, let me give it to _____ who can pay attention to the first person who needs it, or share it with others who might like to hold it just for fun.

We look forward to this being a lively and energetic group and hope that these tools will help us all feel safe, supported and encouraged to speak.

Group Introduction: Let's use the Koosh now to introduce ourselves to the group. Please let us know what your name is, what your age is and where you live. Also let us know whether you are learning at a school or other learning center.

******(Do introductions now and make sure someone has noted this bio data down)***

Sources of Money:
Begin by asking a young person to draw a "typical young person from their community" in the middle of a flip chart paper.

Note: Be patient, it may take a while for someone to volunteer to do the drawing. This is not a test, so it is important that the group feel at ease about the drawing and that they all feel they can contribute to decorating the drawing.

Once the drawing is complete, say to the group:

This is a young person, in the same age range as you, living in your community. This young person has some money. Where does this money come from?

If the group members can write, invite them to use one color of colored cards to write down their responses. Place their cards to the left of the drawing. Once you have 8-12 different sources of money you can thank the group for their answers. Invite group members to help you group same source of money cards if need be. Make sure you do not group things together for the sake of grouping. Ensure what is written on the cards is clear and if not do ask young people for clarification. Probe for examples and explanations by using "how", "tell me more about that", "please give me an example so I can understand more", "what would other young people say about that?" For example, if someone says "work", ask them to give examples of work. Do not group all work together as the differentiation is important and you can probe further on age of start in type of work as well as gender emphasis.

Once the cards are grouped then continue with the next question:

For each source of money can you share with us at what age they usually start receiving money from that source? The group may wish to discuss and then put the age on the card itself. Also, could the group think about whether the source is more common for girls or boys and indicate this by putting girl or boy or both on the back of the card.

Invite the group to decide together and give them about 10 minutes for this activity. Once they have completed their decision-making, probe on a few of the age and gender determinations. Ask whether everyone agreed. You should be able to determine whether there were disagreements by listening to the discussion and then probing by saying "I heard some disagreements about this one, could someone explain why that was?"

Use of Money

The second half of the focus group discussion relates to use of money. You may wish to do a short game before starting the second half or wait to do so before using another tool. Use the following guidance:

Now that we know where young people like you, from your community, obtain money, tell us: where does the money go?

Invite young people to write these down on colored cards (different to the color used for sources). Place their cards to the right of the drawing. Once you have 8-12 different sources of money you can thank the group for their answers. Invite group members to help you group same use of money cards if need be. Make sure you do not group things together for the sake of grouping. Ensure what is written on the cards is clear and if not ask young people for clarification.

Probe for examples and explanations by using "how", "tell me more about that", "please give me an example so I can understand more", "what would other young people say about that?" For example, if someone says "put money away", ask them to give examples of where they put money away. Do not group all "savings" together as the differentiation is important for further discussion on preferences or priorities.

Once young people have completed this part, continue with the next part:

If young people had a very limited amount of money, what would they choose to spend it on first? Place one chip/bean on the first choice, 2 chips/beans on the second choice and so forth.

This is a ranking exercise that can look like the example below:

Ice cream	*0*
Pay for sister's education	*00*
To make dresses	*000*
Transportation	*0000*

Ask the group to decide how many chips/beans to put down together. Once they are ready, ask young people why they made the selections they did. Ask about any disagreements observed. Make sure that someone takes note of the discussions and responses.

The final question for this tool is as follows:

Which expenses in the top 5 can you decide to make by yourself? Which one requires consultation with someone else?

Ask young people to decide this together and place a sticky note paper to the side of the item saying either alone or need to consult. Probe why some decisions can be made by them alone and why they need to consult on others. Take note of these. Give the dialogue about 10 minutes.

Finalize by thanking the participants for their contributions.

Next steps: Analyze and compile data, make recommendations on product features.

Session 4: Youth-Inclusive Products and Services

In the fourth session participants explore the "graduation framework" as a guide for developing financial and non-financial products and services for youth and locate clients and types of interventions within this framework. The remainder of the session is dedicated to extracting lessons learned from the experiences of other organizations in adapting savings and credit products for youth.

Session Objectives:
By the end of this session, participants will have:

1. Extracted key lessons and considerations from an assigned reading; "GGAP Focus Note 34: Graduating the poorest into microfinance: Linking safety nets and financial services"
2. Located various types of clients within the Graduation Framework and identified the most effective types of interventions
3. Matched savings terms with appropriate definitions
4. Listened to an overview of the challenges and opportunities in youth savings accounts
5. Extracted lessons learned and potential guidelines for adapting and delivering savings products for youth
6. Prepared a marketing and delivery plan for a specific target group
7. Recognized some of the challenges involved in individual and group lending credit methodologies for youth market segments
8. Extracted lessons learned and potential guidelines for offering credit products to youth

Total Session Time: 135 minutes

Overview of Activities

Activity Title	Duration	Materials Needed
1) The Graduation Framework	30 minutes	Handout: *CGAP Focus Note 34 - Graduating the poorest into microfinance: Linking safety nets and financial services*
2) Adaption of Savings Products	80 minutes	Savings Terms Cards PowerPoint: *Xac Bank Savings Example* Handout: *Hatton National Bank Case Study Summary* Handout: *Panabo Multi-Purpose Cooperative Case Study Summary*

		Flipcharts
3) Adaptation of Credit Products	25 minutes	Flipcharts, sticky notes Handout: *Partner MicroCredit Case Study Summary* Handout: *BRAC Case Study Summary*

Activity 1: The Graduation Framework

In this activity, participants explore the "Graduation Framework," a guide for determining what interventions may be needed, both non-financial and financial, to graduate various segments of the youth market from fully subsidized programs into sustainable microfinance institutions.

Objectives:
By the end of this activity, participants will have:

1. Extracted key lessons and considerations from an assigned reading; "GGAP Focus Note 34: Graduating the poorest into microfinance: Linking safety nets and financial services"
2. Located various types of clients within the Graduation Framework and identified the most effective types of interventions.

Preparation/Materials:

- Handout: *CGAP Focus Note 34 - Graduating the poorest into microfinance: Linking safety nets and financial services*

Time: 30 minutes

Steps:

a) **Options of Services and Application for Youth (30 minutes)**
Refer participants to the "Graduating the Poorest Into Microfinance: Linking Safety Nets and Financial Services". Share with participants that the reading provides examples of how financial institutions can link with safety net and social protection programs to provide poorer populations with access to financial services.

Assign one mini-case and the introduction per person and then ask participants to look at the graph on the last page.

While participants are reading, ask them to think about the following question (☞ prepare the following on a flip chart ahead of time):

- ***What key lessons and considerations can also apply to delivering youth-inclusive financial services?***

☞ Keep note of participant responses on a flip chart

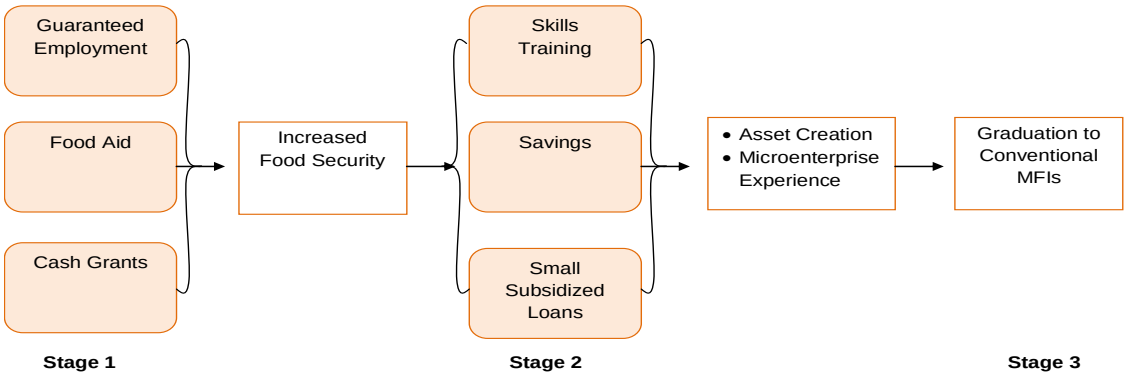
<u>Sample Responses:</u>

I. Appropriate sequencing of support can produce good results for the poorest, including highly vulnerable populations like youth.
II. Safety nets may be necessary to support young people before they are ready to take advantage of financial services.

III. Starting with grants to meet immediate consumption needs to begin building "micro-assets," these programs can provide skills training, business management training, savings services, and sometimes small credit to prepare young clients to run small enterprise and adopt positive savings habits.

IV. Starting financial services with savings, even when young people are in social programs, can help build assets, protect against shocks, and promote good financial behavior.

Review the framework on page 7 of the reading titled "Sequencing for Graduation to MFIs" with the participants. Ask participants to explain the purpose of this framework in relation to the reading.



Lead a brief discussion on the following question with the participants:

- ***In which stage would you place a young male migrant worker?***
- ***What type and sequence of services would help him to move through the graduation framework?***
- ***In which stage would you place a young girl living in a post-natural disaster environment?***
- ***What type and sequence of services would help her move through the graduation framework?***

<u>Tip to the Trainer</u>: If participants have significant experience working with young people, ask them to think about their own target group to answer the questions.

Close session by sharing with participants:

"There is some debate in the sector on whether or not youth should receive grants or subsidized loans. The Graduation Framework demonstrates that appropriate sequencing and linking of safety net programs with financial services can eventually make commercially-driven interventions an option for the poor. We will look deeper at appropriate packages when we come to considerations in non-financial services."

Activity 2: Adaptation of Saving Products

In this activity, participants review savings terms and definitions and examine various case studies featuring institutions that have adapted saving products, and/or identified appropriate marketing and delivery mechanisms to successfully reach youth populations. Extracting lessons learned from the experiences of other institutions enables participants to begin the process of understanding key guidelines for product development, marketing and delivery. They have an opportunity to apply these guidelines at the end of the activity.

Objectives:
By the end of this activity, participants will have:

1. Matched savings terms with appropriate definitions
2. Listened to an overview of the challenges and opportunities in youth savings accounts
3. Extracted lessons learned and potential guidelines for adapting and delivering savings products for youth
4. Prepared a marketing and delivery plan for a specific target group

Preparation/Materials:

- Savings Terms Cards
- Handout: *Hatton National Bank Case Study Summary*
- Handout: *Panabo Multi-Purpose Cooperative Case Study Summary*
- 💻 PowerPoint: *Xac Bank Savings Example*
- Flipcharts

Time: 80 minutes

Steps:

a) **Introduction to Savings Products and Methodologies(Optional - 15 min)**
Introduce the topic of savings:

"There is a growing consensus among service providers that savings is a good entry point for youth-inclusive financial services. This is reflected in the YFS sector data, presented earlier, which showed an increased demand from service providers for savings products. It is also supported by other sector studies that show that youth do save and are interested in safe places to save. In this activity we review some examples of savings products for youth but first let's quickly ensure that we have a shared understanding of various terms related to savings before we begin analyzing the examples."

Split participants into two groups and hand each member of the group a card containing savings terms. Give each participant in group two cards that define the savings terms (ensure there is a matching term card for each definition card.) Ask participants to

match the terms with the definitions within a five minute time limit. (More than one set of cards may be needed for groups larger than 18 participants).

Once the term cards have found a matching definition answer any questions participants may have on savings products and methodologies

Tip to the Trainer: Highlight some of the following points as a follow-up to the activity:

Demand deposit is the most popular and is similar to a checking account.
Term deposit is similar to a certificate of deposit or a time deposit and meets the needs of clients who seek high return.
Contractual products are disciplined mechanisms to save for a specific goal.
A "step up" deposit is a single deposit product that allows withdrawal but earns more interest the longer the deposit remains in the account.

b) Savings Case Studies (20 min)

Share with participants that this next step considers various products from pioneering financial institutions that provide savings to youth populations.

Assign one group the Hatton National Bank Case Study Summary and assign another group the Panabo Multi-Purpose Cooperative Case Study Summary. Ask participants to reflect on the following questions while reading the case study.

☞ Prepare the following on a flip chart ahead of time:

- ***What are some of the challenges faced by these organizations in delivering savings products?***
- ***What are some of the ways that the youth products different from the standard products?***
- ***What are the most important lessons learned for you in this case study in terms of designing youth-inclusive financial products?***
- ***In what specific ways are the Emerging Guidelines evident in this case study*****?**
- ***What else contributes to effective product development and delivery based on your own experience?***

Sample Responses:

I. Case Study Examples
   A. Hatton National Bank
      1. Using existing structures such as the school systems to deliver YFS can cut down on costs and provide easy access to clients.
      2. Involve youth in the process (i.e. students become Banking Managers).
      3. View initiative as a long-term investment for the bank.
      4. Bank should be involved with clients and the community in a greater way (i.e. Microfinance field officer acts as a mentor and provides greater

support to youth and families).

B. Panabo-Multi-purpose Cooperative
   1. May not need major adaptations to the product itself
   2. Marketing and promotional efforts are critical
   3. Partnering with schools can increase outreach and attract a client base
   4. Incentives can attract more young people.

II. General Challenges
   A. Cost Management:
   B. Achieving adequate volume (attract volume of savings) and liquidity management and ensure that a significant portion of deposits are invested at a high rate of return.
   C. Controlling operating costs (examine number of transactions processed, the volume of cash deposited and withdrawn, number of new accounts opened).
      1. Issues such as financial costs (and revenues), direct administrative costs, indirect administrative costs.
   D. Environmental Factors
   E. Government regulation
      1. Lack of oversight can provide institutions with flexibility to optimize their operations, but unregulated MFIs may fail to adopt prudent liquidity management practices, may not know how, or may be fraudulent. And when these institutions fail, it affects the entire industry by dissuading potential clients from saving with formal institutions.

III. Examples
   A. High capital adequacy and liquidity reserve requirement; requiring new institutions to have all key functions and management in place on day 1 can prevent new banks from entering the market; regulatory requirements on security infrastructure.
   B. Alternatively, many socially-minded institutions that are interested in offering savings products are typically not regulated institutions and laws often prevent them from mobilizing deposits, making the product more costly and thus less attractive of a product to offer.

Share with participants:

"Financial service providers face a number of challenges when offering savings products. Preparing for these challenges is critical for MFIs who want to partner with institutions that can mobilize deposits or for YSOs that want to partner with deposit-taking institutions to develop products that are adapted for youth."

c) Approaches to Marketing and Delivery Mechanisms: Xac Bank (Optional - 25 min)

Present the 💻 PowerPoint: Xac Bank Savings Example

"Women's World Banking (WWB) and Xac Bank of Mongolia are delivering savings products and financial education programs for girls in Mongolia. Xac Bank takes deposit accounts and currently holds over $60.3 million dollars in deposits. Bank staff visited Hatton National Bank in Sri Lanka, who we just read about, and having seen their success, they decided to pursue adapting their savings product to make it accessible to girls and young women ages 7-24."

One key objective of sharing this case is that Xac Bank spent significant time on determining the needs of girls as clients but also understood that a deposit account for young girls would perhaps only need some adjustments, yet there would be no need to create a whole new product.

Various experiences in the sector are revealing that small adaptations to not only the terms of the product, but the marketing and delivery mechanisms surrounding the product, can lead to greater successes.

Participants can read about the full case of Xac Bank and Women's World Banking on their USB.

💻 Show slides of the Women's World Bank presentation on Xac Bank

<u>Tip to the Trainer</u>: The following can be used as talking points for the PowerPoint presentation. You can refer to the notes below for use as talking points or additional data.

💻 *Slide #2: Xac Bank is developing savings products for girls with a financial education component with support from Women's World Bank.*

💻 *Slide #3: Xac Bank had some marketing assumptions that they tested and realized they had to change their approach. They found from the market research that the girls they were serving did not relate to girls dancing but in fact really liked the color pink and flowers. Highlight the assumption (card with girls dancing → pink card; advertisement with European looking people → Asian girl with pink flower)*

💻 *Slide #3: Girls were very much involved in the market research to define the look of products, indicating that the market research was being conducted at the "market definition" level. This is also an example that highlights the importance of involving youth in the product design process.*

💻 *Slide #4: Xac Bank was also exploring the best way to deliver services to these girls by looking at where they spend their time, such as at schools. Notice that with further*

segmentation (girls in school and working girls) it was necessary to find different delivery mechanisms that were relevant to these market segments.

Ask participants to brainstorm as a group the following questions:

- ***What are some delivery mechanisms that may be used for youth?***
- ***What are some effective marketing tactics that may be used for youth?***

☞ Keep note of participant ideas on delivery mechanisms and marketing approaches on the flip chart

Once participants have brainstormed a few ideas, divide participants into 2-3 groups. Assign each group one of the following products:

- A savings product for young entrepreneurs to establish businesses.
- A savings product for young people in high school.
- A remittance with savings product for young migrants.

Let participants know that they will need to make certain assumptions for each group of young people as there are no market research findings for these groups (i.e. young migrants want a safe way to save and send money home, but they are very mobile, young people in high school spend their time at school, the soccer field, and the mall – marketing and delivery mechanism would be based on these assumptions).

And ask to the group:

- ***How would you effectively market this product and which delivery mechanism would you choose to deliver this product?***

Sample Responses:

Marketing Tactics

I. Incentives: prizes, games, toys, a piggy bank if they begin saving
II. Using images and symbols to which youth relate (i.e. pink passbooks, young people that look like them on flyers, etc.)
III. Customer Service: Find ways to provide incentives to staff members to get their buy-in
IV. Market to gatekeepers such as parents, as well as youth, in showing the value of the product
V. Xac Bank used a TV ad of girls talking in English and in Mongolian to promote their savings product, as this was something they heard in their market research that girls aspired to do

Delivery Mechanisms

I. **Schools:** Youth are already in schools. As seen in both the case of Xac Bank and Hatton National Bank, financial service providers used existing infrastructure to

deliver financial services, lowering costs and creating easy access for young people.

II. **Doorstep collection:** West and Central Africa and parts of Asia. In Africa, customers typically pay informal collectors a monthly fee for the service which provides relative safety, convenience and an opportunity to accumulate capital. This also serves the needs of women who cannot travel freely. But, there also risks of theft and fraud, and it can be costly in terms of staff, vehicles and monitoring.

III. **Self-managed groups:** For savers, self-managed groups provide a savings service with low transaction costs while generating loan capital and returns for the group rather than for a financial institution. Group members may save less because they feel it is less safe and accessible. If they save for a loan, this is more or less compulsory. Aggregating small savers into larger deposits, self-managed groups also cut costs to the financial institution. Once groups develop more savings than they can loan to their members, they may deposit the excess with an MFI if it has an attractive savings product. (In Zimbabwe, South Africa this takes 1 year). The cost of promoting groups is low but generally MFIs have avoided this strategy because they see the groups as competitors when in fact, groups can be the financial entry point, grooming individuals until they are ready to use the MFI's services.

IV. **Lock boxes:** These small lock boxes have a slot through which cash can be deposited but not withdrawn. The MFI staff holds the key while the box is kept by the client who can deposit any amount at a time. A deposit collector collects the savings regularly or the client brings the box to the branch when she wants. Lock boxes can be distributed to children and their teachers.

V. **Simple low cost offices:** Branches near town center provide easy access.

VI. **Mobile banking units:** Although they have mixed results, mobile banking units can provide physical accessibility to young people with limited mobility, such as young girls in Bangladesh. Security, limited hours and access to funds are challenges.

VII. **Piggybanking services through postal savings banks:** Many savings banks work through the post office infrastructure. They can provide rural outreach, low minimum deposits, and account balances that suit the poor, as well as low admin costs.

VIII. **Point of Service terminals:** POS terminals at retail outlets.

IX. **Mobile phone based systems:** Agents (usually the vendors of pre-paid air time) would provide deposit and withdrawal facilities. Many young people's uptake on the use of technology is quicker.

Invite each group to present their results for 5 min.

☞ Keep note of participant ideas on delivery mechanisms and marketing approaches on the flip chart

Share with participants:

"It is the areas of marketing and delivery channels that are in greatest need of investment when it comes to young people. Regardless of age and economic status consumers of financial products want convenience – easy access and short queues. However, many find the ambiance of banks intimidating and their branches far away. Consider alternative delivery channels to address this issue As we now move into looking at credit, it's also important to think about what kinds of small changes or adaptations could be made to existing products in order to further tailor it to youth populations. These small changes could also be in the delivery mechanism and the marketing of the product.

Savings Terms Exercise: Key Saving Products and Savings Providers "The Matching Game"

Compulsory / Mandatory Savings	Savings payments that are required as part of loan terms or as a requirement for membership, usually in a credit union, cooperative, microfinance institution, village bank or savings group. Compulsory savings are often required in place of collateral. The amount, timing, and level of access to these deposits are determined by the policies of the institution rather than by the client.
Contractual / Programmed Savings	Savings in which the client commits to regularly depositing a fixed amount for a specified period of time to reach a pre-determined goal. After the maturity date, the client can withdraw the entire amount plus the interest earned. Early withdrawal is prohibited or penalized. Contractual products help depositors accumulate funds to meet specific expected needs, such as expenses associated with school, a festival, a new business, an equipment purchase, or a new house. They also help financial institutions better predict the volume and timing of deposits and withdrawals.
Demand / Sight Deposit	These products are often the most popular product. Fully liquid accounts in which the saver may deposit and withdraw any amount at any time with no advance commitment. The saver must maintain a minimum required balance. Some institutions provide a 0% interest rate to offset the high administrative cost. Demand deposit transactions (deposits, withdrawals, transfers/payments) may be made using passbooks, debit cards and ATMs and/or POS devices, and, in current accounts, checks. If clients overdraw their demand deposit accounts, financial institutions generally charge penalties and/or high levels of interest if they do not reject the payment outright.
Informal Savings	Savings held outside of a formal financial institution. Informal savings mechanisms include saving at home – in cash or kind, savings groups, rotating savings and credit associations (ROSCAs), accumulating credit and savings associations (ASCAs), through reciprocal savings and lending with neighbors or relatives, and with money guards (friends or relatives willing to hold a saver's money for a period) or informal sector deposit collectors (people who charge a fee to hold a saver's money for a determined period). Informal savings devices

	are often highly convenient but may be unreliable, insecure and/or illiquid.
Term Deposit	A savings product in which a client makes a single deposit that cannot be withdrawn for a specified period of time. At the appointed time, the client withdraws the entire amount with interest. The financial institution offers a range of possible terms and usually pays a higher interest rate than on its demand deposit or contractual products. Because they tend to be larger than other types of deposits, have contracted withdrawal times, and involve fewer transactions, time deposits can provide a significant source of relatively low-cost funds that facilitate ALM. This is particularly true if an MFI can attract large and institutional depositors.
Accumulating Savings and Credit Associations (ASCAs)	Informal savings groups that resemble ROSCAs but are slightly more complex. In an ASCA, all members regularly save the same fixed amount while some participants borrow from the group. Interest is usually charged on loans. ASCAs require bookkeeping because the members do not all transact in the same way. Some members borrow while others are savers only, and borrowers may borrow different amounts on different dates for different periods. If members pay interest on their loans, the return to savings has to be individually calculated and fairly shared among the group.
Credit Union / Savings & Credit Cooperative / Financial Cooperative	Not-for-profit member-owned financial institutions that are 1) governed by a board of directors comprised of members and 2) typically managed by paid staff who may or may not be assisted by volunteer committees of members. The board is elected by the members, each of whom has one vote. Credit unions and financial cooperatives are typically savings-based, i.e. they fund their loan portfolio with member deposits as opposed to external financing.
Village Savings and Loan Associations	These are independent member-managed organizations that offer a sustainable and flexible range of financial services. They are self-selected groups of around 10 to 25 people who invest their savings in a loan fund, from which members can borrow. Interest-bearing loans are initially provided for 1-3 months but, over time, may increase to six months or more. Members can save in different amounts, varying their contributions according to their disposable cash, and may withdraw their savings whenever they wish. Loans are paid back in an agreed period of time, but at a rate of the members' choosing.
Self-Help Groups	Found everywhere, but especially in South Asia, these provide their members with a mandatory illiquid savings service coupled with access to loans. Composed of about five to twenty members, each group meets monthly or weekly close to members' homes. At each meeting all members save the same amount. The groups then lend these savings to members and store them in a lockbox or deposit.

Activity 3: Adaptation of Credit Products

In this activity, participants review credit products and case studies from two institutions that offer credit products for youth in order to recognize some of the challenges involved.

Objectives:
By the end of this activity, participants will have:
1. Recognized some of the challenges involved in individual and group lending credit methodologies for youth market segments.
2. Extracted lessons learned and potential guidelines for offering credit products to youth.

Preparation/Materials:
- Handout: *Partner MicroCredit Case Study Summary*
- Handout: *BRAC Case Study Summary*
- Flipcharts

Time: 25 minutes

Steps:

a) **Credit Case Studies (20 min)**
Share with participants that this session shifts the focus from savings products to the development, marketing, and delivery of credit products. Assign one group the BRAC Case Study Summary and assign another group the Partner MicroCredit Case Study Summary.

Provide the following to each group (☞ prepare the following on a flip chart ahead of time):

Individual Lending

	Institution Name (Partner MK or BRAC)
Target Group	
Loan Product and Lending Methodology	
Interest Rate	
Guarantee	
Differences between adult product and youth product	
Challenges	
Lessons Learned	

Ask the group to record their answers to the following questions on their flipchart and to select one person to present their results in group discussion (☞ prepare the following guiding questions on a flip chart ahead of time):

- ***Describe the target group.***
- ***Describe the loan product and lending methodology tested by the institution.***
- ***What were the primary differences between the adult product and the youth product?***
- ***What challenges did the institution face when providing loans to youth?***
- ***How is the institution overcoming these challenges?***
- ***What are the most important lessons learned or 'takeaways' from this case study?***

After 15 minutes of small group discussion ask each group to hang up their flip chart paper and present their answers to the discussion questions limiting their presentation to 7 minutes each.

Tip to the Trainer: Refer to the table below for answers from the case study summaries.

	Partner MK
Target Group	Young people 18-29
Loan Product	Individual loans from $1,870 to $7,478
Interest Rate	19.43 % annual, 12-48 month term
Guarantee	Based on existing policies for adults which is a co-signor with a grace period of up to 9 months
Differences between adult product and youth product	Additional non-financial services; target age group
Challenges	Young people would not attend business training, had very big ideas for business
Lessons Learned	Organizing business training is time consuming, difficult to motivate students for the training, microfinance staff members could become mentors

	BRAC
Target Group	14 -25 years, girls Rural Little or no business experience
Loan Product	Basic Loan (44-368 USD), 1 year term
Interest Rate	15% service charge Loan for Goat Purchase
Guarantee	No Guarantee

Differences between adult product and youth product	Lower loan size; additional non-financial services; target age group
Challenges	Smaller loan size makes FSS take longer "Borrower knows best" is not the case for youth
Lessons Learned	Integrated services may be needed to prepare young people to take advantage of financial services

After all four groups are finished ask participants:

- ***What were the main lessons learned that we can draw from these case studies?***

☞ Keep note of participant responses on the flip chart

<u>Tip to the Trainer:</u> The following are key elements for consideration with credit products

- Maintain market interest rate may be one way to address sustainability considerations (Partner MK)
- Flexible collateral or collateral substitutes (group collateral, parents can co-sign a loan – BRAC)
- Market segmentation among youth is important to understanding their needs and financial gaps (Partner MK, BRAC)
- Tailoring products and promotion activities to youth market segments can increase uptake and incentives to participate (Partner MK, BRAC)
- Well-trained loan officers who can both assess business risk and know how to work with young people is important (Partner MK, BRAC)

To close, ask participants to relate some of the lessons learned to the Emerging Guidelines in Youth-Inclusive Financial Services.

b) Connection to next session (5 min)

Share with participants:

"As we saw in the graduation framework, there may be additional services that youth may need before they are ready to fully take advantage of financial services. And as seen in the savings and credit case studies in this past session, many institutions that were delivering financial services to youth, were also providing or partnering to deliver non-financial services. The next stop on our journey looks at the additional non-financial services that may be needed for youth populations."

Move the paper car along the road map to the "Identifying Holistic Package: Non-Financial Services" icon.

Session 5: How to Package Financial and Non-Financial Services for Youth

The fifth session presents an introduction to the types of non-financial services that could complement the delivery of youth-inclusive financial services.

Session Objectives:
By the end of this session, participants will have:

1. Created a package of non-financial and financial services for two fictitious clients
2. Categorized non-financial and financial services into "readiness" or "access" interventions
3. Explained the meaning of financial education
4. Prioritized the minimum financial education skills needed to take advantage of certain financial services

Total Session Time: 55 minutes

Overview of Activities

Activity Title	Duration	Materials Needed
1) Identification of the Package of Non-financial and Financial Services	40 minutes	Scenario note cards Set of Cards of Non-Financial Services Flipcharts
2) Financial Education	15 minutes	Flipcharts, Markers, Masking Tape, Stickers

Activity 1: Identification of the Package of Non-financial and Financial Services

In this activity, participants consider various types of non-financial services that prepare youth to take advantage of financial services in order to practice creating a package of these services based on descriptions of two clients' descriptions. The activity also introduces the "readiness/access" framework as a lens through which to develop a broad range of financial and non-financial services. In the final activity participants brainstorm and prioritize the content of various financial education sessions to deepen their recognition of the value of non-financial services in preparing youth for financial services.

Objectives:
By the end of this activity, participants will have:

1. Created a package of non-financial and financial services for two fictitious clients
2. Categorized non-financial and financial services into "readiness" or "access" interventions

Preparation/Materials:

- Scenario Note Cards
- Flip Charts

Time: 40 minutes

Steps:

a) **A Package of YNFS and YFS (25 min)**
Give participants a set of cards containing non-financial and financial services with one service per card.

<u>Sample Note Cards:</u>

Financial Services: Basic Credit, Basic Savings, Remittances, Insurance, Education Loans, Housing Loans

Non-Financial Services: Business Development Services, Entrepreneurship Training; Life Skills; Apprenticeships; Social Safety Nets (subsidies, guaranteed employment); Vocational and Technical Training; Gender Empowerment; Gender Sensitization; Health Services; Basic Formal and Non-Formal Education

Divide participants into groups and assign one of the scenarios below to each group.

Provide a flipchart sheet of paper for each group with one of the scenarios listed below (☞ place on flip charts ahead of time):

Scenario 1	Scenario 2
• 19 year old boy • Works for family subsistence fish farm • Heard about a new water pump being sold • Unsure as to whether he should buy it because he has never used it before • Doesn't know if he can sell fish for a profit	• 16 year old girl • Out-of-school • Living in the slums • Wants to start a hair salon like other young women in her community • Doesn't have much confidence to start the business

Ask the groups to use the cards to create a package of non-financial and financial services needed to support these young people in their circumstances and to be prepared to explain their choices.
Select a representative to present each group's proposal on flip chart paper.

Set a time limit of 15 minutes to create the package and 10 minutes (each) to present the proposal to the class

Tip to the Trainer: Note that scenarios provide basic information. Groups may need to make additional assumptions to come up with their package of services. When groups present back, ask participants to highlight any additional assumptions that were made. Adapt the scenarios to make them relevant to the training context.

At the end of each presentation invite members from the other group to ask questions to clarify why this package was the most appropriate for the scenarios presented.

Ask the participants the following:

- ***What new insights have you gained for creating a financial and non-financial service package for clients?***
- ***How will you use this information in your own work?***

Tip to the Trainer: Share with participants (optional) the following briefing on the inter-relation of financial and non-financial services.

- *As in any financial service, it is important to ensure that the non-financial service the youth are receiving is relevant and useful to their needs, indicating the need for good market research. Non-financial services can be expensive, so ensuring that the appropriate non-financial services are provided is critical. Remember that in the case of ProMujer, youth were given training on menopause vs.*

another more relevant topic.

- *Experience has also shown that it may always be effective to start with savings – young people save, even if it is small amounts, it can help promote positive habits and perhaps save for a business, rather than starting with a loan.*
- *Additionally, it is not necessarily about training youth to set up a business—it may be the case that young people need non-financial services to help plan for continued education.*
- *It is equally important to think about how non-financial services could be integrated into already existing delivery mechanisms such as schools, family, community services, etc, especially given the cost of providing non-financial services.*

b) The "Readiness" and "Access" Framework (15 minutes) (Optional)

Two Facets of Youth Livelihood Programming	
Readiness-Oriented	*Access-Oriented*
Enhance readiness of youth to engage in sustainable livelihood activities	Improve access of youth to market-driven products and services
Develop human capital	Develop financial capital

Tip to the Trainer: Bring up the slide of this framework or draw on a flip chart. Present on a slide or flipchart paper and use the notes below to guide participants through an understanding of the framework. These notes are taken from the Youth Livelihoods Development Program Guide.

"A youth service practitioner, named David James-Wilson conceptualized a framework called the Youth Livelihoods Development Framework. This framework categorizes types of capital and corresponding programming interventions into two facets: readiness-oriented interventions and access-oriented interventions.

Invite participants to read pages 4-5 of the Youth Livelihood Development Program Guide.

Once participants have finished the reading, lead a discussion around the Readiness and Access framework.

"Let's start with the exploration of types of capital that young people have."

Ask participants the following:

- ***What are the types of capital young people have?***

Human Capital	This area includes one's cognitive, emotional, intellectual, and spiritual abilities. It encompasses the formal, informal, and cross-cutting learning-to-learn life skills that youth acquire from the family, peers, and community, as well as from formal and nonformal education and practical work experiences.
Financial Capital	This area includes an individual's savings; the property or assets they can readily convert into cash money; their access to credit and/or savings; and, their overall level of financial literacy.
Social Capital	This area includes an individual's social ties, support networks, trusting relationships, and ability to draw on the knowledge, skills, and resources of others in their households, extended families and communities.
Physical Capital	These include fixed capital goods that are necessary for a business or the participation in a particular form of productive employment. These assets can range from proper working clothes, tools, and equipment to the physical space for work.

Preparing young people through readiness interventions helps build their human capital.

Ask participants:

- ***What do we mean by readiness-oriented and access-oriented interventions?***

Illicit one or two responses before explaining the following:

Readiness-oriented interventions prepare young people to engage in sustainable livelihoods activities. Examples are formal and non-formal basic education, vocational and technical skills training, and programs that focus on employability and the development of key cross-cutting work and life skills.

Access–oriented interventions include microfinance products (savings, credit, micro-insurance tailored for youth, business development services, technical skills training, linkages with mentors or business skills coaches, and support in improving the value-

added proposition of their livelihood activities [through improvements to quality, cost, or market access]).

In order to benefit from access-oriented opportunities, many marginalized youth will need youth livelihood readiness investments (from government, donor or household actors, including youth themselves). Similarly, in order to convert readiness-oriented investments into viable livelihood activities, youth should have access-oriented interventions available to them. The success or failure of these interventions often depends on providing both kinds of programs concurrently while building dynamic partnerships or alliances among mainstream adult microfinance institutions (MFIs), business development service providers, and youth- or family-oriented community-based organizations."[2]

Divide a piece of flip chart paper into two columns. Title one column "Readiness" and the other one "Access".

Refer to one of the client descriptions from the previous step and ask participants the following question:

- ***Which services from the previous exercise support readiness and which contribute to access?***

☞ Keep note of participant responses on the flip chart

Close by asking participants:

- ***What are the key elements of the readiness and access framework that are important to understand and how are they related to youth-inclusive financial services?***

[2] James-Wilson, David. Youth Livelihoods Development Program Guide. June 2008, p.4

Activity 2: Financial Education

In this activity, participants brainstorm and prioritize the content for four financial education sessions for four products in order to recognize how a non-financial service can prepare youth to take full advantage of various financial products and services.

Objectives:
By the end of this activity, participants will have:

1. Explained the meaning of financial education.
2. Prioritized the minimum financial education skills needed to take advantage of certain financial services.

Preparation/Materials:

- Flip charts
- Markers
- Masking Tape
- Stickers
- Blank Flip chart paper

Time: 15 minutes

Steps:

a) **Financial Education Skills (15 minutes)**
Pose the following question to the class:

- ***What is financial education?***

Facilitate a brief discussion on the various meanings of financial education.

Sample Response:

I. Financial Service Providers have found that the minimum skills required to manage these kinds of services include budgeting, knowledge on loan repayment terms, managing debt, importance and planning of savings, and understanding interest rates. As with financial services, market research should also be conducted to confirm which of these skills will fill the gaps for the youth market segment being served.

Also ask the following:

- ***What are the benefits of financial education?***

"One common non-financial service that is offered is financial education and it is one of the many non-financial services that may be needed. Remember that readiness interventions can help young people take full advantage of financial services. In this way, financial education can help consumers of financial services take full advantage of the services being offered. In this next activity we are going to look at the minimum skills that you think may be needed that will benefit youth by 'readying' them to engage in certain financial services."

Set up four stations and write the following as titles of flip charts and place around the room (☞ prepare on a flip chart ahead of time):

- A loan
- A savings account
- Remittance
- A grant for business start-up

Ask the participants to move from station to station pausing for 1 minute at each station to write down the information or skills a financial education course should provide to enable a young consumer to manage the financial service listed on the flip chart.

After every participant has had an opportunity to write on each flipchart distribute stickers. Ask participants to walk around the room and at each station use the sticker to vote for the most important information or skill.

Once participants have voted, look at the flipchart and see where most people placed their stickers.

Ask the following:

- ***Why do you think these are the most important?***

Explain to participants:

"Recognizing the advantages of offering non-financial services such as financial education that prepare youth to be wise consumers of financial products or creating a means for enabling youth to access financial services raises the issue of who should provide these services. Financial education is one of many of the non-financial services that could be offered. Similar to product design, it is important to understand the needs of youth through market research and match those needs to the appropriate non-financial service. Developing partnerships may be the most cost-effective way of providing a package of services. Mapping out how various organizations in your community are serving youth is an important step in identifying those partnerships and it is the next stop on our road map."

Move paper car along to the icon labeled "Partnerships" on the road map.

Session 6: Partnerships

The sixth session contains one activity that introduces 8 steps for creating successful partnerships between YSOs and FSPs so each can leverage and combine their core competencies to improve the economic well-being of youth in their communities. At the end of the activity participants practice using the first 3 steps to prepare for an exploratory conversation with a potential partner.

Session Objectives:
By the end of this session, participants will have:

1. Determined the sequence of the Eight Steps for Forming Partnerships and Alliances
2. Practiced using the first three of the eight steps to prepare for an exploratory conversation with a potential partner

Total Session Time: 50 minutes

Overview of Activities

Activity Title	Duration	Materials Needed
1) Forming Partnerships	50 minutes	Cut outs of "8 Steps to Partnerships" Handout: *Applying 8 Steps to Partnerships* Flip Charts

Activity 1: Forming Partnerships

In this activity, participants analyze the steps for forming partnerships in order to practice using the first three of these steps to prepare for an exploratory conversation between youth-serving organizations and financial service providers.

Objectives:
By the end of this activity, participants will have:

1. Determined the sequence of the Eight Steps for Forming Partnerships and Alliances
2. Practiced using the first three of the eight steps to prepare for an exploratory conversation with a potential partner

Preparation/Materials:

- Blank Flip chart paper
- Handout: *Applying 8 Steps to Partnerships*
- Markers
- Note cards with instructions for role play

Time: 50 minutes

Steps:

a) **The Eight Steps for Forming Partnerships (20 minutes)**
Share with participants the following:

"As mentioned in the previous activity, our next stop on the roadmap examines effective partnerships between FSPs and YSOs."

Divide participants into 2-3 groups and distribute to each group envelopes containing one set of the Eight Steps for Forming Partnerships. Invite groups to spend 5 minutes organizing the steps from first to last on the blank worksheet provided.

Place the completed worksheets on the wall, side by side, and invite participants to review the work of each group. Invite them to share their observations, questions, and discussions they had during the group work.

Tip to the Trainer: Each group is likely to have organized the steps differently than the sample response provided. The purpose of this exercise is to get participants thinking about the various steps involved in a partnership. Depending on the context, different institutions may begin the process at different points.

Present the handout titled "Applying 8 Steps to Partnerships" with the steps in the "correct order". Clarify that the steps should be used as guidance for forming partnerships but, depending on the context and institutions involved, the process may be at different points.

Tip to the Trainer: Cut out and distribute eight note cards. Ask small groups to place the note cards in the correct sequence. Use masking tape to affix them in order and report out.

The 8 Steps of Forming Partnerships
1. Define institutional objectives and meet with broad stakeholders to agree on desired outcomes.
2. Conduct broad program design: Identify the "building blocks", or the main components of the program, that are required to achieve the desired outcomes.
3. Assess resource needs and potential partners: define the resources and competencies needed and assess potential partners who might have these.
4. Finalize partners and examine partner's interests: broker introductions and assess underlying interests of partners.
5. Partnering Agreement: Help broker a negotiated agreement between partners on objectives, roles and responsibilities of each.
6. Capacity Building: Where necessary, build the capacity of one or more partners to enable them to meet their commitments.
7. Monitor and support implementation: Monitor partner commitments and support implementation inputs where required.
8. Evaluation: Evaluate performance and assist in re-negotiation of partnering agreements where necessary.

b) A Role Play Using the 8 Steps (30 minutes)

Refer participants to the Partner MK Case study as preparation for a role play. Remind participants that in the case study there were non-financial services that could have been provided by a youth serving partner, rather than the MFI in the case study.

Divide the participants into two groups. Designate one group to play the role of the FSP, in this case, the financial service provider in the credit case study. The other group will play the role of an YSO operating in the same region. Set the context for the role play by informing both groups that they are having an exploratory conversation which may or may not lead to a partnership. Provide each group with additional guidance to prepare for the exploratory conversation

Distribute note cards with the following instructions to each group:

Instructions for the FSP group (share only with the FSP group)

Refer back to the credit case study to understand the context in which you are operating (outreach, number of branches, available resources, etc.) Identify your core competencies and what additional capacity is needed from a partner to more effectively provide the non-financial services mentioned in the case study. Prepare for your exploratory conversation by identifying what you could offer a potential partner organization and what you hope to achieve during the meeting as you focus on the first three steps. Use the first three steps of the Partnerships steps to guide your discussion within your group. You have 10 minutes to prepare.

Instructions for the YSO group (share only with the YSO group)

Your organization works with youth and can provide the non-financial services mentioned in the case study, but first you will have to define your organization. You work in the same region as the financial service provider in the credit case study, but will need to define outreach, strengths and capacities, available resources, etc. The youth you serve are ready to access financial services. Some are seeking loans but most of them want to save money to go to university. You are searching for a partner who can provide access to these financial services. Prepare for your exploratory conversation by identifying what you could offer an FSP partner and what you hope to achieve during the meeting as you focus on the first three steps. Use the first three steps of the Partnerships steps to guide your discussion within your group. You have 10 minutes to prepare.

Ask each group to identify 3 people that will represent their group in the role play.

Begin the role play and bring it to a close after 15 minutes.

Ask participants to share their observations in terms of what questions or issues arose that they didn't anticipate and what should be taken into account when preparing to meet a potential partner.

Explain to participants:

"Establishing partnerships with different types of organizations to offer a package of services to youth may still overlook types of vulnerability that are specific to youth as consumers of these services. What these vulnerabilities are and how to address them is the next stop on our roadmap."

Move paper car along to the icon labeled "Critical Success Factors" on the road map.

Session 7: Critical Success Factors

The seventh session consists of one activity that is designed to sensitize participants to the vulnerabilities of low-income youth. Engaging with youth in a cautious manner, informing them of their rights, and providing them with a clear understanding of the product or service is important so as not to cause harm.

Session Objectives:
By the end of this session, participants will have:

1. Identified how expanding access to financial services to include youth may put them at risk or cause unanticipated harm.
2. Analyzed different strategies for reducing harm or mitigating the risk of offering financial products or services to young people.

Total Session Time: 55 minutes

Overview of Activities

Activity Title	Duration	Materials Needed
1) Preventing Harm	55 minutes	Props for Role Play Handout: *Client Protection Principles*

Activity 1: Preventing Harm

In this activity, participants brainstorm the possible ways of doing harm when delivering financial services in order to identify various strategies ranging from where to locate financial services, to family involvement and consumer protection principles to mitigate these risks.

Objectives:
By the end of this activity, participants will have:

1. Identified how expanding access to financial services to include youth may put them at risk or cause unanticipated harm.
2. Analyzed different strategies for reducing harm or mitigating the risk of offering financial products or services to young people.

Preparation/Materials:

- Blank Flip chart paper
- Handout: *Client Protection Principles*
- Markers

Time: 55 minutes

Steps:

a) Role Play on "Doing No Harm" (35 minutes)

Tip to the Trainer: The Trainer or co-trainers should practice the role play in advance. It requires three people and if the trainer should require a participant to play a role s/he should be invited to practice the role play prior to the course.

The intention of the role play is to demonstrate how providing access to savings services may cause unintentional negative effects.

Share with participants:

"We are now going to simulate a role play to begin the discussion on what kind of harm can be done to youth populations when delivering financial services and the ways to mitigate these unintentional consequences. After our role play, we will then ask you to create your own role plays that highlight the vulnerabilities of youth"

Act out the script below to course participants:

Tip to the Trainer: Adapt the amount of money to be saved based on local context and currency.

Scene I: A bank places a large billboard advertisement to young girls: "Save [100 dollars] and receive a free cell phone." Two girls see the promotion and discuss how they can deposit the most money. They begin thinking about where they could get money. One girl knows that her uncle saves money under his pillow at their house, which he uses to pay for school fees and food. The second girl encourages her to go get the money so that they can get a free cell phone.

Scene II: The two girls go to the house and find the money under the uncle's pillow and head towards the bank.

Scene III: They take the money to the bank and approach the bank teller. One girl says "We have [100 dollars] and we are ready to save and get a free cell phone." The second girl agrees emphatically. The banker takes their money and has them sign the paperwork to open the account. After the paperwork is signed, the bank teller says thank you and waves them out the door without giving them the cell phone. The girls stand looking confused and ask for their cell phone as it said on the billboard. The banker says, "The billboard said in smaller print and in the paper you just signed that the client would not be able to receive the cell phone until after the money has stayed with the bank for one year. We are trying to encourage good savings habits." The girls begin crying knowing they will be in trouble for stealing the money.

After the role play ask:

- ***What happened in this role play?***

Sample Response: Girls took risks to get more money, stole, endangered the livelihoods of others; the incentive backfired

- ***What could this institution have done to prevent these kinds of situations?***

Tip to the Trainer: The following are possible follow-up points.

- Ask participants to think carefully about the consequences of incentives such as rewarding multiple deposits to promote better habits. Also, the banker did not clearly state the policies of the bank until after the young girls had already deposited their money in the account. The banker should have informed them of the policies prior to taking their money.

Share with participants that they will now be creating their own role plays.

Ask participants to form three groups and take 3-5 minutes to prepare a brief role play that demonstrates one way that our actions as an institution may cause harm. The group should also be prepared to share 1-2 strategies after their role play that an organization can implement to avoid harming young people.

After each role play ask the observers to identify the problems and solutions portrayed in the role plays.

☞ Write problems and solutions on a flip chart.

Summarize the main 'do no harm' actions and solutions and explain that there are four areas of vulnerability. Provide the title of the categories below and ask participants to define the meaning and how to mitigate these risks.

Tip to the trainer: Use the following as talking points for describing the vulnerabilities of youth and ways to mitigate unintentional negative consequences.

Actions that may harm youth: Solutions

- **Physical Vulnerability**: Select meeting places that are close and socially acceptable. This allows for at-risk youth to feel less vulnerable and reduces physical vulnerability. An organization can also establish safe spaces which are enclosed, private and out of the public sight especially for young girls. BRAC, for example, sets up clubhouses which are nearby. This is especially relevant for girls who are carrying money.
- **Financial Vulnerability:**
  Caused by predatory practices of MFIs: Adopt Consumer Protection Principles. Educate consumers, be transparent and present information clearly to ensure that clients really understand. Avoid over-indebting clients.
  Caused by violating the law by providing savings and credit services to minors. Co-signatures for loans (but the money is not in their control), an adult over 18 years old can sponsor a savings account.
- **Psychological vulnerability caused by pressure from family and peers.** Staff should be aware that a young client's adult family or peers may expropriate the youth's loans or savings for their own activities. This may be especially more likely to occur if the interest rates on the loans are lower than those available to adults.
- **Behavioral Vulnerabilities:** Young people may need both internal and external motivation and FSPs should be aware that incentives may cause unintentional harm and should carefully consider how to engage young people in financial services.

b) The Role of the Family and Community in Expanding Financial Services to Youth (10 minutes)

Share with participants the following:

"There is growing consensus that in order to successfully expand financial services to young people, it is important to involve community and family in the process."

☞ Prepare the following on a flip chart ahead of time:

- ***In your view, how important is involving family and community in youth financial services interventions? What role do they play?***
- ***What would be the consequences of not involving family and community?***

Discuss possible consequences and conclude conversation by adding that sometimes involving the family can have negative consequences too (i.e. parents take away money from youth)

c) Client Protection Principles (10 minutes)

Ask participants to look at the handout on consumer protection principles. Introduce the concept of client protection and emphasize the importance of ethical practices especially when it comes to youth populations, as they are already particularly vulnerable. Relate this concept back to the role play and the bank that didn't clearly state their policies before having the girls sign the paperwork.

Tip to the Trainer: Explain the following if context is needed for the client protection principles

"*The Client Protection Principles for microfinance and the accompanying Smart Campaign are part of a collaborative initiative endorsed and led by a broad coalition of microfinance institutions (MFIs), networks, funders, and practitioners. The purpose of the Campaign, which is housed at the Center for Financial Inclusion, and the Principles is to ensure that providers of financial services to low-income populations take concrete steps to protect their clients from potentially harmful financial products and ensure that they are treated fairly.*

The Client Protection Principles describe the minimum protection microfinance clients should expect from providers. While the Principles are universal, meaningful and effective implementation will require careful attention to the diversity within the provider community and conditions in different markets and country contexts. Over the past several years, consensus has emerged that providers of financial services to low-income clients should adhere to the six principles listed in your handout."[3]

[3] This section is taken from the Client Protection Principles document accessed at www.smartcampaign.org.

Ask participants to consider the relevance of these principles to their work by asking:

- ***Which of these principles are you currently applying in your work with youth?***
- ***What have been the results?***
- ***How can you apply the client protection principles to your work?***

Imagine now that you have collaborated with partners to provide appropriate financial and non-financial services to youth in your communities. The next stop looks at how to measure our efforts.

Move paper car along to the icon labeled "Monitoring and Evaluation" on the road map.

Session 8: Monitoring and Evaluation

The eighth session reviews measurement approaches that participants are currently using in their organizations in order to consider their potential for measuring the results of youth-inclusive microfinance and youth livelihoods programs.

Session Objectives:
By the end of this session, participants will have:

1. Listed various measurement approaches to microfinance
2. Identified specific ways to make small changes to existing systems to better measure the outcomes of youth-inclusive financial service

Total Session Time: 15 minutes

Overview of Activities

Activity Title	Duration	Materials Needed
1) Brainstorming Measurement Approaches	15 minutes	Flip Charts Markers

Activity 1: Brainstorming Measurement Approaches

In this activity, participants brainstorm methods of measuring the results of a program in order to identify how to adapt these measurement approaches to youth-inclusive financial services programs.

Objectives:
By the end of this activity, participants will have:
1. Listed various measurement approaches to microfinance
2. Listened to specific ways to make small changes to existing systems to better measure the outcomes of youth-inclusive financial services.

Preparation/Materials:
- Blank Flip chart paper
- Markers

Time: 15 minutes

Steps:

a) **Brainstorming (10 min)**
Invite participants to divide into groups of 3-4.

☞ Prepare the following on a flip chart ahead of time:
- ***What are some existing tools that FSPs currently use to measure the success?***
- ***How could financial institutions incorporate or adapt these kinds of tools or approaches to also measure youth-inclusive financial services?***
- ***What should an institution take into consideration when selecting any of these measurement tools and approaches?***

Hand out flip chart paper to each group and ask them to list their current program monitoring mechanisms in mainstream microfinance and answer the following questions:

b) **Measurement Approaches (5 min)**
Using the measurement approaches that participants identified in previous activity, share with the group the following:

"*Typically, the success of a financial institution is measured by financial ratios. However, in the last decade, techniques and tools that measure social performance, or measure both the financial and social performance of a microfinance institution, have been*

developed. These systems could be adapted to measure the outcomes of a youth-inclusive financial product."

Refer participants to pages 14-15 of The Youth Livelihoods Development Program Guide to view of set of indicators that relates to the Youth Livelihood Index.

Share:
"One area of measurement that is particular to youth livelihoods programs is the social and cognitive development of youth. The Youth Livelihoods and Development Guide looks at measurement from this perspective.

This perspective has the following objectives:

- *To assess the status (prevalence) of developmental and livelihood assets of youth in a given area to assist with new program/project design;*
- *To evaluate a program or project via a baseline and end-line survey to measure developmental asset and livelihood competency outcomes and or results;*
- *To establish youth profiles based on various characteristics so as to better tailor program/project activities and interventions.*

This holistic measurement system helps us answer the following question, which is crucial to youth-inclusive financial services: what are the implications for young people beyond secure and increased assets when they are involved in a program?"

Indicate to participants that given the range of tools available, the choice of which to use will depend on what they want to learn and what statements they want to make about their work.

Session 9: From Words to Action to Wrap-Up

The ninth session provides an opportunity for participants to reflect on the tools, concepts and approaches that are most relevant for their organizations and document them as action plans for integrating them into their operations.

Session Objectives:
By the end of this session, participants will have:

1. Developed an action plan to integrate relevant tools, approaches, and concept from the course into their organizations
2. Stated key learning from the course
3. Completed Evaluation Forms

Total Session Time: 55 minutes

Overview of Activities

Activity Title	Duration	Materials Needed
1) Action Plan Development	35 minutes	Handout or E-Copy of *Action Plan*
2) Final Evaluation and Wrap-up	15 minutes	Roadmap Handout: *Course Evaluation*

Activity 1: Action Plan Development

In this activity participants create a detailed action plan in order to prepare to apply the key learning from this course to their own organizations.

Objectives:
By the end of this activity, participants will have:

1. Developed an action plan to integrate relevant tools, approaches, and concept from the course into their organizations
2. Stated key learning from the course
3. Completed Evaluation Forms

Preparation/Materials:

- Handout: *Action plan*

Time: 35 minutes

Steps:

a) **Introduction to the Action Plan Template (35 minutes)**
"During this course, we took a step by step journey through some of the issues considered critical to the effective design of youth-inclusive financial services."

Ask participants the following:

- ***Which of the tools, concepts and approaches explored during this course are of particular interest to you? Why?***

Distribute the action plan template. The action plan template that I distributed is an opportunity to personally reflect on the concepts, tools and approaches addressed during this workshop and prepare a preliminary plan of action for integrating those that are most relevant for your organization.

Ask 1-2 participants to share their action plan to the class. Remind participants to return a copy to the trainer.

b) **Action Plan presentation and feedback (Optional) 25 minutes**
There are a number of ways for participants to share their plans depending on the time remaining.

For example, one or more participants can present their plan to the group. The trainer asks clarifying questions and invites the remainder of the group to comment on what they think is most effective in the plan.

Also ask participants the following:

- ***What is one thing you see as a challenge going forward?***

A fun way to share the plans is to stage an "American Idol" type of competition. Designate one area of the room to be the "stage" and place 3 chairs for the judges facing the stage. If the audience is not familiar with this show, you can mention some other relevant examples of other shows with judges and participants who want to impress them.

Once the stage is set share with participants:

"We will now provide an opportunity for some volunteers to present their action plans. Three people will serve as judges. The judges are responsible for providing feedback (on what they like) and asking clarifying questions. The judges will be rotated after each presentation. Each presentation should not be more than 5 minutes."

Allow for 3-5 presentations. Ensure that the feedback from the judges is positive. After the judges provide feedback, the trainers can solicit 1-2 comments from the other participants.

Activity 2: Final Evaluation and Wrap-up

In this final activity participants have an opportunity for one final reflection on their experience in this workshop and complete a written evaluation in order to provide complete feedback about the course content and its delivery.

Objectives:
By the end of this activity, participants will have:

1. Stated key learnings from the course
2. Completed Evaluation Forms

Preparation/Materials:

- Roadmap
- Handout: *Course Evaluation*

Time: 20 minutes

Steps:

a) **Roadmap and Key Learnings (5 minutes)**
Read through the stops on the roadmap and ask participants to share one thing that was most memorable from one of the stops.

Probe to ensure that the meaning of their response is understood.

Ask the following (optional) questions if time permits:

- ***What is one key lesson learned from this workshop?***

b) **Individual Evaluation Forms (15 minutes)**
Distribute the Course Evaluations and give participants 10 minutes to complete the form.

> **<u>Tip to the Trainer</u>**: Depending on where you offer this course, you may need more time for evaluations since participants may need to fill out additional evaluations requested by the organizers of the course.

c) **Training Closing (5 minutes)**
Time permitting, invite participants to share one thing, in less than a minute, that they have learned from their colleagues in this course.

Close the event by thanking all the people who helped to coordinate the event as well as all the participants. Distribute certificates if required.